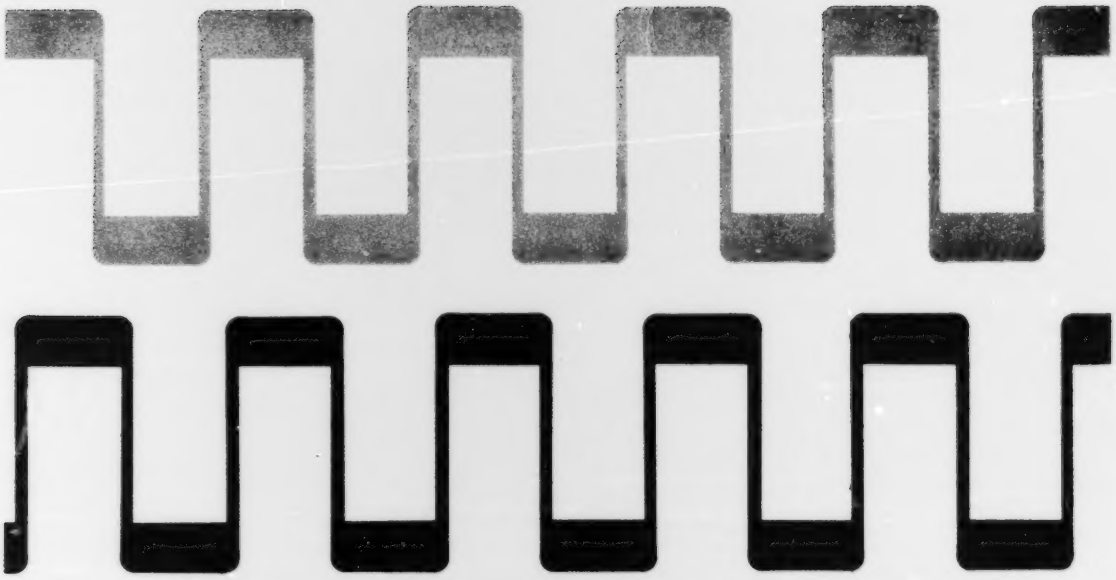
Ontario

ontario telephone service commission

1981 annual report



Ontario

Office of the
Minister

Ministry of
Transportation &
Communications

416/965-2101

Ferguson Block
Queen's Park
Toronto Ontario

The Honourable John Black Aird, OC QC BA LL.D
Lieutenant Governor of Ontario
Legislative Building
Queen's Park

MAY IT PLEASE YOUR HONOUR

I beg leave to present the 1981 Annual Report of the Ontario Telephone Service Commission for the year ending December 31, 1981.

Respectfully submitted,

James W. Snow
Minister

Ontario

Ontario
Telephone Service
Commission

Suite 200
3625 Dufferin St.
Downsview Ontario
M3K 1Z2
416/248-3831

December 31, 1981

The Honourable James W. Snow
Minister of Transportation and Communications
3rd Floor, Ferguson Block
Wellesley Street West
Toronto, Ontario.

Dear Mr. Snow:

We have the honour to present herewith the Annual Report of the Ontario Telephone Service Commission for the year ending December 31, 1981.

Respectfully submitted,

Wladzia Bielski, Q.C.
Chairman

F. Wall
Vice Chairman

E.A. Frith
Member

D.A. Austin
Member

M.E. Parry
Member

G. Klosler
Member

ONTARIO TELEPHONE SERVICE COMMISSION

1981 ANNUAL REPORT

TABLE OF CONTENTS

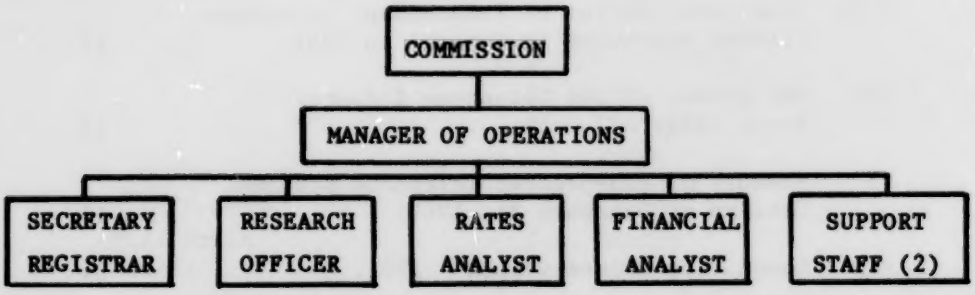
		PAGE
1.	THE COMMISSION	2
2.	MAJOR ACTIVITIES	8
	i) Uniform System of Accounts	8
	ii) Equal Life Group Depreciation	9
	iii) Quality of Service	12
3.	REGULATORY ISSUES	13
	i) Terminal Attachment	13
	ii) Traffic Agreement Negotiations	14
	iii) Municipal Telephone System Subscribers	15
4.	APPENDICES	16
	i) Orders of judgements of the Commission.	16
	ii) Type of Entity of Independent Telephone Systems operating in Ontario in 1981.	17
	iii) Size distribution of Independent Telephone Systems operating in Ontario in 1981.	17
	iv) Net growth of the Telephone Industry since 1971.	17
	v) Summary of Independent Telephone Systems Data as at December 31, 1981.	18
	vi) Commission Orders issued - 1981.	24
	vii) Map - Independent Telephone Systems Operating in Ontario.	29

1. THE COMMISSION

The Ontario Telephone Service Commission regulates thirty-one telephone systems in Ontario. The Commission consists of six members as appointed by the Lieutenant Governor in Council.

Chairman of the Board	Mrs. V. W. Bielski, Q.C.
Vice-Chairman	Mr. F. Wall
Member	Mr. E. A. Frith
Member	Mrs. M. E. Parry
Member	Mr. D. A. Austin
Member	Mr. G. Klosler

The Commission is assisted by a staff of seven. The following chart outlines the present organizational structure of the Commission.



The Commission's governing statute is The Telephone Act (R.S.O. 1980, c.496) and in 1981 the Commission issued 76 Orders. The following is a summary of the number of Orders issued in respect to the purpose and the section under the Act.

SECTION		NO. OF ORDERS
10	Previous order revoked	8
11	Settlement of disputes	1
71	Approval of By-Laws of Municipal Telephone Systems	2
73	Approval to hold Annual Meeting	2
88	Approval of company By-Laws and Special Resolutions	4
89	Customer complaint	2
91	Approval to interconnect customer-owned equipment	4
96	Approval of agreements for interchange of service between systems	15
105	Approval of changes in local telephone service rates	33
109	Approval to issue indebtedness	2
115	Prescribing filing date of Annual returns	2
		75

In 1981 the Commission attended 22 Meetings and held 50 Public Hearings. The Commission also held field hearings in Beachburg, Cambray, Taylor, Keene and Westport.

The Commission issued three Orders in 1981 as a result of general rate applications. The following chart shows the disposition of the orders which are included as appendices to this report.

GENERAL RATE APPLICATIONS
JANUARY 1981- DECEMBER 1981

SYSTEM	HEARINGS	INTERVENORS	OUTCOME
AMTELECOM INC.	Cambray Lions Head Toronto	Thirty-two	92% of requests approved
NORTH RENFREW TELEPHONE COMPANY LIMITED	Beachburg	Five	100% of requests approved
ROXBOROUGH TELEPHONE COMPANY LIMITED	Toronto	None	65% of requests approved

The Commission also gave consideration to applications for authorization of the issue of indebtedness. Under section 109 of The Telephone Act a telephone system cannot issue stock, bonds, or notes, or other evidence of indebtedness such as long term loans covering a period over twelve months, until Commission authorization is granted. The Commission by it's order authorizes the issue and the amount thereof and states the purpose to which the issue or proceeds are to be applied. The amounts of the issue of evidence of indebtedness are indicated below.

INDEBTEDNESS APPROVED
JANUARY 1981 - DECEMBER 1981

DURHAM TELEPHONES LIMITED	$300,000.00
WIGHTMAN TELEPHONE LIMITED	$224,000.00

The Commission is also responsible to ensure that the public receives efficient and adequate telephone service. Any customer who is not satisfied with the service provided by a telephone system may lodge a complaint with the Commission with respect to a problem. In 1981 the Commission handled fifty-two complaints and inquiries. While most of the complaints were received as letters there were also oral complaints and inquiries. It should be noted that most were resolved by the Commission prior to the Commission's determination to hold a formal hearing to adjudicate the issue. The following tables indicate the type and totals of complaints and inquiries per system.

TELEPHONE SERVICE
CUSTOMER COMPLAINTS AND INQUIRIES

SYSTEM	OUTAGES	BILLINGS	LINE LOADS	DEPOSITS	SERVICE REQUEST	*EAS	OTHER	TOTAL
Abitibi-Price Inc.							1	1
Amtelecom Inc.	1	1			1	1	1	5
Blanshard Municipal Telephone System		2						2
Bruce Municipal Telephone System		2	1	1			1	5
Brooke Municipal Telephone System							1	1
Cochrane Public Utilities Commission							1	1
Durham Telephones Limited		1						1
Huron and Kinloss Municipal Telephone System					1			1
Lansdowne Rural Telephone Company Limited				1		1		2
Manitoulin Island Telephone Company Limited	4		2		1			7
North Frontenac Telephone Company Limited						1	1	2

*- Extended Area Service

TELEPHONE SERVICE
CUSTOMER COMPLAINTS AND INQUIRIES

SYSTEM	OUTAGES	BILLINGS	LINE LOADS	DEPOSITS	SERVICE REQUEST	*EAS	OTHER	TOTAL
North Norwich Municipal Telephone System	1							1
Northern Telephone Limited	2	1	4				2	9
Peoples Telephone Company of Forest Limited, The		1					5	6
Roxborough Telephone Company Limited						1		1
South Bruce Rural Telephone Company Limited				1				1
Thunder Bay Telecommunications						1		1
Tuckersmith Municipal Telephone System		1						1
Westport Telephone Company Limited, The					1	1	1	3
Wightman Telephone Limited							1	1
	8	9	7	3	4	5	16	52

*-Extended Area Service

2. MAJOR ACTIVITIES

(i) UNIFORM SYSTEM OF ACCOUNTS

The telephone systems in the Province of Ontario and under the jurisdiction of the Commission use widely differing accounting policies and practices. The Commission believes uniformity and comparability of these policies and practices should exist. To this end the Commission decided to look at the establishment of a Uniform System of Accounts.

In June 1977, a feasibility study carried out on behalf of the Commission recommended the development of a Uniform System of Account (USOA) based on the USOA of the Federal Communications Commission (FCC) in the United States. In March 1979, the Commission published a study paper to identify for discussion purposes some major issues related to the development of a USOA.

The Commission has held on-going discussions with the Ontario Telephone Association (OTA) which represents the industry in the province. The result of these discussions was the issuance by the Commission in August 1980 of the 'First Draft of the Uniform System of Accounts'. After additional meetings and correspondence with the OTA as to the context and related implementation procedures, the 'Second Draft of the Uniform System of Accounts' was made available to the industry in November 1981.

The Commission expects to have the USOA introduced in final form in 1982, and has contingency plans for assisting the industry during the early stages of implementation. The Commission staff will be available as required to work with any of the telephone systems to ensure that the USOA is properly set up and functioning.

Uniform accounting will assist the Commission in its efforts to establish rates that are just and equitable. The Annual Reports filed in conjunction with the Uniform System of Accounts, would expedite the rate application process.

(ii) EQUAL LIFE GROUP DEPRECIATION

Depreciation is usually the largest single operating expense of the telephone systems, and as such, it has the most impact on the amount of revenue required from the customers. For this reason, it is very important that the computation of depreciation expense be made on a sound basis and that the result be a fair and consistent treatment of depreciation within the jurisdiction.

With the regulated telephone companies using a wide variety of changing depreciation rates and calculation methods, the Commission had to make the choice between continuing to accept the calculations of the companies or developing its own framework for depreciation policies. This dilemma was brought about primarily as a result of Northern Telephone Limited's adoption of Equal Life Group (ELG) in 1973 as their method to calculate depreciation expense. Subsequently, the Commission in Order No. 3347 of July 1975, directed Northern Telephone to provide further information on their decision to adopt ELG. The company was to comment on the accuracy of the various methods involved and the degree of difficulty to be faced by the Commission in monitoring the data produced. The information that was supplied was not sufficient and so by Order No. 3382 of March 8, 1976, Northern Telephone Limited was ordered to revert to using a 5% composite depreciation rate on total plant and that in future any change would only occur following either a depreciation study and approval of the new methodology advanced or authorization of a particular methodology and/or particular depreciation rates.

Consolidating the information and the prior orders, the Commission presented to the industry in 1977, it's decision in the form of a study paper entitled "Study of Depreciation Practices and Methods". The purpose of the study paper was to provide the technical basis for policy consideration by describing the various depreciation methods in use and how they evolved, with their respective benefits and disadvantages; a review of the regulatory status in both the United States and Canada, and a review more specifically of the Canadian situation with particular attention to the Ontario scene. One of the depreciation methods described was the Equal Life Group Procedure (ELG), a procedure that has arisen again to the forefront because of the impact that advanced technology was having on the service life of the capital assets of the systems, and in turn the resultant depreciation rates.

During the same year, 1977, Northern Telephone Limited filed for approval of depreciation rates as calculated under the ELG method.

The 1977 application, which was accompanied by a depreciation study provided the Commission with difficulties. These problems, as stated in Order No. 3756 of September, 1978, resulted in the denial of the depreciation rates requested.

> "The Commission has found that the evidence was not sufficient to support the change in depreciation rates as applied for. It did not deal with the requirement for the exact recovery of capital nor did it demonstrate that verification is not an unreasonable difficult task."

However, Northern Telephone Limited was allowed the use of a 5.3% composite depreciation rate, thus recognizing the need for increased rates.

Also the Order stated:

> "The Commission shares the view of the many authorities who consider the ELG procedure superior to other methods because it is more accurate in matching the capital cost with plant consumption."

and:

> "The Commission also holds the view that before it can authorize the use of ELG, it must be satisfied that the results of using this method are acceptable."

The Commission cognizant of the rapidly changing technology affecting the telecommunications industry endeavoured to develop a program to try to address the failings of the provision of information for the ELG procedure as highlighted by Order No. 3756. Engaging a consultant, the Commission proceeded to draft a standard package for ELG filing.

In 1980 the Commission completed its studies and issued a paper entitled "A Draft Discussion Paper on Filing Requirements for Changes in Depreciation Rates Based on the Use of the Equal Life Group Method", which was circulated to the industry and the Ontario Telephone Association for comment. Subsequently responses were received and meetings held between the staff of the Commission, the Accounting Committee of the OTA, and staff of particular companies directly concerned with the outcome.

Using the outcome of these meetings, Northern Telephone Limited again filed an application in November of 1981 for approval of depreciation rates as calculated under the ELG procedure. The application was filed with an explicit Depreciation Study and provided information in the format as prescribed by the established filing requirements. The application is presently being processed and a decision is expected early in 1982.

(iii) QUALITY OF SERVICE

It is of significant importance today for both the telephone industry and it's regulator that the quality of service to customers be maintained at a high, and to the extent possible, uniform standard. Technological advances, improved economic conditions and increased costs have raised the customer's level of expectation for good telephone service. This has become abundantly clear at recent rate application hearings.

The Commission is in the process of considering relevant measurements to assure that high standards are set and achieved in areas of greatest importance to consumers. Only on this basis can the Commission determine whether rates requested for services rendered are just and reasonable.

The Commission, in February 1981, circulated a quality of service study to the industry and to the Ontario Telephone Association for comment. It is the Commission's intention to implement, with the aid of the industry, a Quality of Service Measurement Standard which will serve as a guideline to the Ontario telephone systems in their enterprise as telecommunications carriers.

3. REGULATORY ISSUES

(i) TERMINAL ATTACHMENT

In 1970, Order No. 2612 was issued by the Commission which specified certain requirements and general conditions for the interconnection of customer-provided telephone equipment to any of the telephone systems in Ontario. The conditions set out in Order No. 2612 were very general in nature to reflect the wide range of operating conditions experienced by the sixty-six telephone systems then operating in Ontario.

The Commission is aware that many technological and regulatory changes have occurred in regard to interconnection over the eleven year period since Order No. 2612 was issued. The Commission has been made acutely aware of these significant changes due, in part, to a greater number of applications pursuant to section 91 of The Telephone Act. The Commission has some concern with regard to such issues as network integrity and the physical means of interconnection. However, these issues were not resolved by Order No. 2612. The Commission, on November 12, 1981, issued Order No. 4090 which revoked Order No. 2612. The Commission, on November 13, 1981, issued two public notices. The first notice dealt with the revocation of Order 2612. The second notice was with respect to topics to be discussed at a general issues hearing on terminal attachment.

In the public notice concerning the general issues hearing, the Commission requested both the industry and the public to comment on the issue of terminal attachment. All interested parties had until December 30, 1981, to suggest issues which would be relevant to the subject of terminal attachment. The Commission believes that a complete re-examination of all current issues regarding terminal interconnection will be beneficial for both the customers served by the telephone systems and the telephone systems themselves. In this regard, it is the Commission's intention to hold a public hearing in the spring of 1982 on customer provided terminal attachment, and to encourage the participation of all interested parties in such a hearing.

(ii) TRAFFIC AGREEMENT NEGOTIATIONS

In August of 1981 the Ontario Telephone Association, in conjuction with the Canadian Independent Telephone Association, informed the Commission that they had reached an agreement in principle with Bell Canada's proposed toll settlement revisions.

The "A commission" tables were replaced with two new formulas for calculating commission payment per message. The overall effect amounted to a 5% increase in commission payments. A new Traffic Agreement format was devised with contracts to run for a period of two years. The terminal commission for Group 1 services was increased by aproximately 30%.

The Commission reviewed the new traffic agreement format and found it, in principle, to be acceptable. However, the Ontario Telephone Association was informed that each application for approval of the agreement would have to be received by the Commission and studied before further consideration could be given.

The Commission expects the new traffic agreements between Bell Canada and the telephone systems to be filed early in 1982.

(iii) MUNICIPAL TELEPHONE SUBSCRIBERS

A "subscriber" in respect of a municipal telephone system is a landowner who has signed a petition to the council of a municipality for the establishment or extension of a telephone system to the landowner's property. By signing such a petition the landowner guarantees that any debentures assumed by the municipality will be paid. This condition is binding on the land owner regardless of whether the property changes hands or not. A subscriber may only be released upon authorization of the Commission or upon sale of the system. In either case the subscriber is responsible for his share of the outstanding debenture debt.

It is the responsibility of the commissioners of the telephone system, under section 84(1) of The Telephone Act, to ensure that proper records are kept of the name of every subscriber and the location of his subscribed property. In order to ensure that an accurate record is kept the municipal telephone systems are required to file all changes to the subscriber listing with the Commission. The Commission has been pleased with the co-operation it has received from the municipal telephone systems.

4. APPENDICES

APPENDIX (i)

ORDERS OF JUDGEMENTS OF THE COMMISSION

4067	IN THE MATTER of an application by Amtelecom Inc. for approval of a change in rates for telephone service.
4074	IN THE MATTER of a rehearing of an application by the Roxborough Telephone Company Limited for approval of a change in rates for local service.
4077	IN THE MATTER of an application by the North Renfrew Telephone Company Limited for approval of a change in rates for telephone service.
4080	IN THE MATTER of an application by the Zenith Radio Corporation for approval of connection of the customer-provided Zenith Radio Space Phone to the telephone networks of the telephone systems in Ontario.
4096	IN THE MATTER of an application by Mr. and Mrs. Donald Philp in regard to a dispute with the People's Telephone Company of Forest Limited regarding a toll billing.

Ontario

ONTARIO TELEPHONE SERVICE COMMISSION

Order No. 4067
Thursday, the 27th day of August,A.D.1981

B E F O R E

W. Bielski, Q.C. Chairman, F. Wall, Vice Chairman, E. A. Frith, Member, M. E. Parry Member, and G. Klosler, Member.	IN THE MATTER of sections 6(1), 12 and 105 of The Telephone Act (R.S.O. 1980, c.496) and IN THE MATTER of an Application by Amtelecom Inc. for approval of a change in rates for local telephone service

HEARD AT:

Lion's Head	June 16, 1981
Cambray	June 24, 1981
Toronto	July 23, 1981

For the Applicant:

Mr. R. B. Barnard	President and General Manager
Mr. W. Berko	Controller-Treasurer
Mr. P. Van Wychen	Manager, Taylor Telephone Company
Mr. K. Wolfe	Manager, Cambray Telephone Company
Mrs. B. Bailey	Amtelecom Incorporated

Appearance at Hearings:

Mrs. J. Ashcroft	Mrs. D. Matthews
Mr. & Mrs. G. Barber	Miss B. Miller
Mrs. Bradley	Mrs. F. More
Mrs. A. Burke	Mrs. McCurdy
Mrs. J. Craig	Mr. S. McGann
Mr. V. Elliot	Mr. D. McLay
Mr. H. Forbes	Mr. A. O'Grady
Mrs. Frazer	Mr. S. Patterson
Mr. Hanson	Mr. R. Peacock
Mrs. L. Harper	Mr. G. Phillips
Mr. J. Hawke	Mr. A. Ralph
Mr. Hilliard	Mrs. C. Riches
Mr. Hutchinson	Mrs. M. Sweet
Mrs. L. Ireland	Ms. Tilbridge
Mr. L. R. King	Mrs. A. M. Vogan
Mrs. B. Knight	Mr. & Mrs. T. Wilson

INDEX TO ORDER

Section	Title	Page
1.0	Order	1
2.0	Background	1
3.0	Test Year	2
4.0	Revenues	4
4.1	Local Service Revenue	4
4.2	Long Distance Service Revenues	4
4.2.1	Revisions to Alternate Appendix B of the Traffic Agreement	5
4.2.2	Toll Rate Increase	6
4.2.3	Supplement to the Traffic Agreement	6
4.3	Non-Recurring Service Charges	8
4.4	Summary of Adjustments to Revenue	9
5.0	Expenses	10
5.1	Uncollectible Revenue	10
5.2	Gross Receipts Taxes	10
6.0	Rate Base	11
6.1	Calculation of Rate Base	12
6.2	Working Capital	13
7.0	Rate of Return	14
7.1	Capital Structure	14
7.1.1	Acquisition Adjustment	14
7.1.2	Future Capital Structure	15
7.1.3	Capital Structure Weights	16
7.2	Cost of Debt Capital	17
7.2.1	Long-Term Debt	18
7.3	Cost of Equity	18
7.4	Allowed Range of Return on Total Capital	19
8.0	Revenue Requirement	20
9.0	Quality of Service	24
9.1	Field Hearing in Lion's Head	24
9.2	Field Hearing in Cambray	25
10.0	Comment	27
11.0	Rates	29
11.1	Basic Monthly Exchange Rates	29
11.2	Flat Rates	30
11.3	Locality Rate Area	32
11.4	Extension Telephones	33
11.5	Non-Recurring Service Charges	34
11.6	Miscellaneous Service and Equipment	34

ONTARIO TELEPHONE SERVICE COMMISSION
Order No. 4067

INDEX OF TABLES

Table No.	Title	Page
I	Statement of Revenue and Summary of Adjustments 1981 Test Year	9
II	Calculation of Net Asset Rate Base	12
III	Capital Structure Amtelecom Consolidated and Amtelecom Unconsolidated (Telephone Operations) - 1981 Test Year	16
IV	Calculation of the Overall Cost of Capital - 1981 Test Year	19
V	Income Statement - 1981 Test Year	21
VI	Additional Revenue Requirement	22

ONTARIO TELEPHONE SERVICE COMMISSION
Order No. 4067

1.0 ORDER

1.1

UPON THE APPLICATION of Amtelecom Inc., hereinafter referred to as the Applicant, upon reading the application and other material filed and upon evidence presented during the hearing,

1.2

THE COMMISSION ORDERS under and in pursuance of sections 6(1) and 105 of The Telephone Act (R.S.O. 1980, c.496) that the Applicant establish rates in accordance with this Order to become effective on or after the first day of September, 1981.

2.0 BACKGROUND

The Applicant filed an application for approval of changes in local telephone rates and non-recurring service charges on March 10, 1981 for the exchanges of Aylmer, Cambray, Dyer's Bay, Lion's Head, Port Burwell, Stokes Bay, Straffordville and Tobermory. The Applicant proposed an interim rate increase effective May 1, 1981 which would have generated an additional $103,632 annually and a final rate increase effective September 1, 1981 which would have generated additional annual revenues of $176,088 inclusive of the interim increase. It was estimated that the total additional revenue requested would require an average increase in telephone rates of approximately 13.6%.

2.0 BACKGROUND (Contd...)

On March 13, 1981, the Applicant mailed a Notice of Application to each customer which set out the present and proposed rates. Written interventions were to be filed with the Commission on or before April 13, 1981. The Commission received 52 written submissions and a petition from Taravista Estates in the Cambray exchange. The Commission, on April 29, 1981, issued Order No. 4054 approving an interim increase in non-recurring service charges for the Aylmer, Cambray, Dyer's Bay, Lion's Head, Port Burwell, Stokes Bay, Straffordville and Tobermory exchanges. By Order No. 4054 the Commission also approved an interim increase in local monthly service charges for the Aylmer, Port Burwell and Straffordville exchanges effective May 1, 1981. The interim increases results in additional annual revenues of $90,864.

Notice of the public hearing in Lion's Head and Cambray was placed in newspapers serving these areas and the hearing was subsequently held in the Lion's Head Arena on June 16, 1981 and in the Cambray Community Centre on June 24, 1981. Notice of a financial hearing was placed in the Aylmer Express, Lindsay This Week, St. Thomas Times Journal, Sun Times, Tillsonburg News, Wiarton Echo and Thursday Post on June 10, and June 17, 1981. The financial hearing was held in the Commission's offices in Toronto on July 23, 1981.

3.0 TEST YEAR

The use of a test year for a revenue requirement calculation permits the Applicant and the Commission to focus on a set of financial data for a particular operating period adjusted to annualize known changes which have occurred or may occur within the operating period. The changes in revenues,expenses,etc.

3.0 TEST YEAR (Contd...)

occurring within the year will only have a partial year's effect in the test year. However, since a full year effect will be realized in future periods an annualizing adjustment must be made. This permits a more accurate calculation of rates which will be sufficient for future periods.

When the application was filed in March, the Applicant proposed the use of the 1981 fiscal year, which covers a period from September, 1980 to August 31, 1981, as the test year. The Applicant made use of five months actual data[1], which was available at that time and provided estimates for the remaining seven months.[2] In June 1981, the Commission requested the Applicant to revise the estimates based on nine months actuals[3] and three months estimates[4]. It is this revised financial data that the Commission has chosen to employ in order to calculate the Applicant's additional revenue requirement.

---

[1] September 1, 1980 to January 31, 1981.

[2] February 1, 1981 to August 31, 1981.

[3] September 1, 1980 to May 31, 1981.

[4] June 1, 1981 to August 31, 1981.

4.0 REVENUES

4.1 Local Service Revenue

As outlined in Section 2.0 of this Order, the Commission approved an interim rate increase in local service rates for the Aylmer, Port Burwell and Straffordville exchanges. The interim rates as approved will generate additional annual revenues of $71,604. The Commission approved the interim rate structure effective May 1, 1981, and therefore the Applicant will realize additional revenues only for the remaining four months of the 1981 test year which ends August 31, 1981. In reply to interrogatory OTSC05JUN81-602 the Applicant stated that the part year effect of the rate increase would result in an additional $42,000 during the fiscal year.

As discussed in Section 3.0 of this Order, employing a test year requires the Commission to calculate the twelve month effect of rate increases for the purpose of determining an additional revenue requirement. Therefore, the Commission has adjusted local service revenues by $29,604 in order to reflect annualized effect of the $71,604 interim rate increase.

4.2 Long Distance Service Revenues

For the test year ending August 31, 1981, the Applicant estimated long distance service revenues of $1,503,342.[5] There are a number of factors affecting this estimate. The areas which require a Commission adjustment are examined in more detail below.

---

[5] Reply to Interrogatory OTSC05JUN81-601.

4.2.1 Revisions to Alternate Appendix B of the Traffic Agreement

The Alternate Appendix B to the Traffic Agreement provides for the division of gross toll revenue between the Applicant and Bell Canada. At the time of the financial hearing on July 23, 1981, a revised Alternate Appendix B had not been negotiated, the previous agreement having expired June 21, 1981. However, the Applicant had made certain assumptions regarding the revised Alternate Appendix B and accordingly included an amount of $15,000 as the additional revenue which was expected from June 21, 1981 to August 31, 1981.[6] During the hearing, the Applicant was directed to file an estimate of the annualized impact of the expected change in the Alternate Appendix B based on a 1981 test year. Subsequently, the Applicant submitted an estimate of additional annual toll revenues and the Commission used this and other evidence to determine the magnitude of the adjustment.

During the financial hearing it was indicated to the Commission that revisions to the Alternate Appendix B would provide an additional 5 percent in total toll revenue.[7] The Commission has employed the 5 percent increase to the Applicant's actual nine months total toll revenue as reported in reply to interrogatory OTSC05JUN81-601. The remaining three months have been estimated by the Applicant and included an amount of $15,000 for the increase in the Alternate Appendix B from June 21, 1981 to August 31, 1981.[8] The Commission has taken these actuals and forecasts into account and estimates that the additional annual revenues which can be expected from a 5 percent increase in the Alternate Appendix B is approximately $72,017.

Since the Applicant has already included $15,000 as the partial year effect of the Alternate Appendix B, as noted above, the Commission adjusts 1981 toll service revenue by $57,017 to reflect the annualized impact of the expected changes in the Alternate Appendix B.

---

[6] Reply to Interrogatory OTSC05JUN81-602.

[7] Transcript of Financial Hearing, July 23,1981 pp 8,10 and 13.

[8] Reply to Interrogatory OTSC05JUN81-602.

4.2.2 Toll Rate Increase

At the date of the issuance of this Order, the Canadian Radio-television and Telecommunications Commission had not issued a decision regarding Bell Canada's application for toll rate increases between toll centres in Ontario and Quebec. Since the Applicant's test year ends August 31, 1981, the Commission will not make any adjustment to toll service revenue for the purpose of determining an additional revenue requirement.

4.2.3 Supplement to the Traffic Agreement

Order No. 4017 was issued December 17, 1980 in response to a general rate application filed by the Applicant in October 1979. In that Order the Commission reviewed the Applicant's financial performance and noted that the additional revenue requirement was far in excess of the additional revenues sought by the Applicant. The Commission concluded its comments with the observation that "given the current financial position of the Company, it is imperative that the matter of the additional revenue requirement be addressed by the Applicant."

The Commission is pleased to note that shortly thereafter the Applicant took action to address the serious shortfall as determined in Order No. 4017.

In reply to interrogatory OTSC28APR81-803 the Applicant outlined a series of meetings that had been held with Bell Canada for the purpose of revising the Traffic Agreement. The Applicant indicated that it was their hope that certain supplements to the Traffic Agreement could be negotiated, which would provide Amtelecom with a supplementary payment over and above the normal retention of gross toll revenue.

4.2.3 Supplement to the Traffic Agreement (Contd...)

At the financial hearing on July 23, 1981, Mr. Barnard, appearing on behalf of the Applicant, stated that a proposal had been received but that there had not been sufficient time to examine it in detail. The Applicant was requested by the Commission to file a copy of the response to the proposed supplement to the Traffic Agreement once a decision had been made. On July 27, 1981, the Commission received a copy of the Applicant's letter accepting the proposed supplement in principle. The proposed supplement reflects the Applicant's revenue shortfall for a six month period.[9] After an analysis of the Applicant's operations Bell Canada employed the comparative requirements test (CRT) method to determine the amount of the supplement.

The Commission has not received an application from the Applicant for approval of the proposal and has not had the opportunity to examine the proposal in detail nor is the Commission aware whether or not the Applicant has formally accepted the proposal. However, during the financial hearing of July 23, 1981, Mr. Barnard, witness for the Applicant, stated that,

> ...from the review we have had of it, we are in agreement with the basic approach used and the major steps taken and in this particular case the final result achieved in terms of the supplement that they propose to us over the period March '81 to August '81[10]

Since the Applicant has indicated basic agreement with the proposal the Commission has included the proposed supplement of $74,686 in toll revenue for the purpose of determining an additional revenue requirement.

---

[9] March 1, 1981 to August 31, 1981.

[10] Transcript of Financial Hearing, July 23, 1981, pp 77-78.

4.3 Non-Recurring Service Charges

Interim Order No. 4054 issued April 29, 1981, approved an increase in non-recurring service charges in the Applicant's operating territory. These revised non-recurring service charges became effective May 1, 1981 and the Applicant has estimated non-recurring service charge revenues of $64,880. However, the estimate only includes an amount of $5,000 which represents a partial year's effect of the increase in non-recurring service charges.[11] Therefore, the Commission has adjusted non-recurring service charges by $14,260 to reflect additional annual revenues from non-recurring service charges of $19,260 as approved in Interim Order No. 4054 as outlined in Section 2.0.

---

[11] Reply to Interrogatory OTSC05JUN81-602.

4.4 Summary of Adjustments to Revenue

Table I provides a summary of the adjustments discussed in sections 4.1 to 4.3 and in section 5.1

TABLE I

Statement of Revenue and Summary of Adjustments
1981 Test Year

	Reply to Interrogatory OTSC05JUN81-601	Commission Adjustment	Revised Revenue
Local Service	$1,273,767	$29,604 [12]	$1,303,371
Long Distance Service	1,503,342	131,703 [13]	1,635,045
Coin Telephone	26,000		26,000
Other Operating	70,868		70,868
Non-Recurring Service	64,880	14,260 [14]	79,140
Less:Uncollectibles	(21,603)	(1,229) [15]	(22,832)
Total Operating Revenue	$2,917,254	$174,338	$3,091,592

[12] Section 4.1.
[13] Sections 4.2.1 and 4.2.3.
[14] Section 4.3.
[15] Section 5.1.

5.0 EXPENSES

As discussed in Section 3.0 of this Order, the Commission has used the Applicant's nine months actuals and three months estimates for the purpose of determining a revenue requirement. The Commission has examined expenses for the 1981 test year and has required the Applicant to provide additional information regarding some items. As a result of this analysis and for the purpose of determining an additional revenue requirement, expenses are found acceptable with the exception of uncollectible revenue and gross receipts taxes.

5.1 Uncollectible Revenue

Section 4.4 of this Order summarizes a number of adjustments to operating revenues. Based on these adjustments, the Commission has increased uncollectible revenue expense by $1,229 which is approximately seven-tenths of one percent of the total operating revenue adjustments. This is consistent with the Applicant's total uncollectible revenue estimated for the 1981 test year.[16] The adjustment has been included in Table I, Section 4.4.

5.2 Gross Receipts Taxes

The adjustments to revenue, as summarized in Section 4.4 also requires a compensating adjustment to gross receipts taxes. Therefore, the Commission has made an allowance of $8,717 which is approximately 5 percent of the total revenue adjustments.

---

[16] Reply to Interrogatory OTSC05JUN81-601.

6.0 RATE BASE

In Order No. 4017 issued December 17, 1980, the Commission reviewed a number of alternatives for calculating the Applicant's rate base and decided that a net asset rate base would be most appropriate. The Commission has reviewed the alternatives again in the context of the present application and has decided that a net asset rate base is still the most appropriate. However, the Commission notes that the comment which was made in Order No. 4017 is still applicable, "As circumstances change the Commission will review the choice of a rate base in future rate applications to ensure that the most appropriate one is used."

During the financial hearing of July 23, 1981, the Applicant was requested to file a revised calculation of the net asset rate base reflecting nine months actuals and three months estimates. The Commission has accepted this calculation as a more current and accurate calculation of the rate base than the estimate originally provided in Exhibit 3 page 41, Schedule 1. It should also be noted that the Commission has elected to employ a year end rate base rather than an average rate base. In this application the use of a year end rate base will result in a more meaningful comparison of approved rates with the additional revenue requirement as determined by the Commission.

6.1 Calculation of Rate Base

Table II provides the calculation of the Applicant's net asset rate base for the 1981 test year.

TABLE II

Calculation of Net Asset Rate Base[17]

1.	Total Telephone Property	$10,442,612
2.	Less: Accumulated Depreciation	2,744,552
3.	Net Telephone Property	$ 7,698,060
4.	Materials and Supplies	80,000
5.	Working Capital	49,504
6.	Sub-total	$ 7,827,564
7.	Less: Deferred Taxes	145,000
8.	Total Capital	$ 7,682,564

[17] Exhibit 9, Schedule 1.

6.2 Working Capital

On Order No. 4017 issued December 17, 1980, the Commission observed that,

> "The Applicant has calculated the working capital allowance by means of the financial statement method, that is, accounting working capital. The Commission is concerned that this method may not be an accurate estimate of the working capital required by the Applicant."

In the application filed March 10, 1981, the Applicant proposed an amount for working capital calculated by the Modified Federal Power Commission (FPC) method. This is a more detailed method of calculating the investment required to bridge the lapse of time when expenditures are made to provide service and the time collections are received for that service. Working capital of $49,504 has been calculated by the Applicant using the financial data supplied in response to interrogatory OTSC05JUN81-601.

The method proposed by the Applicant to calculate working capital is probably more accurate than the accounting method for purposes of rate making. Accounting working capital can be manipulated and only reflects working capital at a specific point in time. The modified Federal Power Commission method provides a better indication of the amount of working capital that is actually required by the company and to that extent is more equitable to the Applicant and subscribers alike. Furthermore, working capital of $49,504 is a relatively small component of the total rate base and therefore does not have as substantial an impact on the total additional revenue requirement than might otherwise be assumed. For these reasons the Commission has elected to employ the working capital as calculated by the Applicant.

7.0 RATE OF RETURN

7.1 Capital Structure

The capital structure weights to be applied to each source of financing are an important element in determining the allowed rate of return. Since it is not possible to determine the structure weights of the capital used exclusively for the telephone operations, the Commission will employ the capital structure weights for Amtelecom consolidated. There are two reasons for this approach, firstly, there is no direct relationship between the source of funds and the application of those funds, and secondly, the capital structure is generally assumed to influence the overall cost of capital.

The Commission has made one adjustment to the Applicant's capital structure as outlined in Section 7.1.1.

7.1.1 Acquisition Adjustment

The acquisition adjustment is equal to the amount which the price of purchased assets exceeds the book value of those assets. On September 2, 1977, the Taylor Telephone Company Limited and the Manitoulin Island Telephone Company Limited were acquired by the Applicant. The purchase price of the two telephone systems was $143,903 in excess of the book value. Similarly, on May 1, 1979, the Applicant acquired the assets of the Cambray Telephone Company Limited at a price of $4,420 in excess of their book value. These acquisition adjustments have been identified as goodwill by the Applicant.

7.1.1 Acquisition Adjustment (Contd...)

Commission Order No. 4017 issued December 17, 1980 excluded the acquisition adjustment from the rate base for the purpose of determining an additional revenue requirement. The acquisition adjustment has also been excluded from the calculation of the Applicant's net asset rate base in section 6.1, page 12 of this Order. However, in reply to interrogatory OTSC18MAR81-506 the Applicant has identified an amount of $122,709 as the unamortized portion of goodwill in the account titled "Other Assets", on page 14 of Exhibit 2. Although "Other Assets" is not included in the net asset rate base calculation of $122,709, it does have an impact on the capital structure. Accordingly, this amount is deducted from shareholder equity in order to determine the appropriate capital structure weights for the purpose of determining an additional revenue requirement.

7.1.2 Future Capital Structure

Exhibit 4 dated April 16, 1981, submitted by the Applicant, explained the necessity of the existing capital structure and the anticipated capital structure in the foreseeable future. The Applicant projected that the present percentage of debt to total capital of 83.9% would reduce slightly to 83.4% in 1982 and to 70.7% in 1985. During the financial hearing on July 23, 1981, there were questions raised as to whether the projections were still reasonable in light of changing interest rates. The Applicant agreed to undertake a revised filing of the projected debt to total capital ratio at year end 1982 and year end 1985. The revisions indicated that the Applicant now expects a debt to total capital ratio of 82.4% in 1982 and 76.4% in 1985. The Applicant also projected that this ratio would fall to 71.4% by year end 1986.

7.1.2 Future Capital Structure (Contd...)

The Commission is pleased to see that the Applicant has undertaken projections of capital structure and encourages the Applicant to continue to monitor and project the progress of this critical issue. The current high portion of debt subjects the Applicant to a degree of risk which, in the Commission's opinion, is detrimental to the Applicant and its subscribers alike. However, the Commission notes that the Applicant is projecting a debt component which will continue to decrease in relation to the capital structure. This will result in an improvement of the overall financial position. The Commission will continue to observe the Applicant's progress in this regard.

7.1.3 Capital Structure Weights

Table III calculates the dollar amounts of debt and equity and the capital structure weights allocated to the telephone operations. This is obtained by applying the Amtelecom Incorporated consolidated capital structure weight for each source of funds to the telephone operations rate base. This method ensures that the sum of the sources of financing for the telephone operations equals the measured rate base.

TABLE III

Capital Structure Amtelecom Consolidated and Amtelecom Unconsolidated (Telephone Operations)
1981 Test Year

	Amtelecom Consolidated[18]	Capital Structure Weight	Amtelecom Unconsolidated
1. Total Debt	8,100,538	84.8%	$6,511,196
2. Common Equity	1,457,291	15.2%	1,171,368[19]
3. Total Capital	9,557,829	100.0%	$7,682,564

[18] Exhibit 9.
[19] Section 6.1

7.2 Cost of Debt Capital

In section 7.1.2, the Commission has commented on the consequences of the Applicant's high proportion of debt capital in the total capital structure. Of the total Amtelecom Incorporated consolidated long term debt 91 percent is at a floating rate of interest and therefore the calculation of the cost of debt capital is directly influenced by the prime interest rate assumed. Within the twelve month period that the Commission has chosen to employ as the test year, the prime interest lending rate has increased from 12.25 percent to 22.75 percent at the time of this Order. In section 3.0 of this Order, the Commission noted that in principle the test year concepts permits an Applicant and regulator to focus on a set of financial data for a particular operating period adjusted to annualize known changes which have occurred within the operating period. However, due to the changes in interest rates witnessed during Amtelecom's test year, it is difficult to make an adjustment which will reflect interest rates for the test year while at the same time be reasonable for setting local service rates for future periods. The Applicant proposed a cost of debt capital of 16.8% based on a prime interest rate of 17%. Although this may have been appropriate in March when the application was filed, the Commission cannot accept that a prime rate of 17% is reasonable for attempting to calculate an additional revenue requirement. The Commission has decided to employ the average prime interest rate over the last ten months of the Applicant's test year in order to determine the cost of debt capital. A ten month average will provide a rate which is more reflective of interest rates in recent months and more indicative of the possible level of interest rates over the next twelve months than the 17% proposed by the Applicant. Therefore, the Commission will employ a cost of debt capital of 18.19 percent based on the average of interest rates over the last 10 months of the Applicant's test year.

7.2.1 Long-Term Debt

During the processing of this rate application, the Commission noted that the Applicant's long term debt included an additional $2,000,000 which was to be issued during the 1981 fiscal year. However, the Commission has not approved an issuance of indebtedness for the Applicant during 1981. At the financial hearing of July 23, 1981, Mr. Barnard, witness for the Applicant admitted that it was the Company's original intention to have $2,000,000 in short term debt converted to long term debt by August 31, 1981. The difference in interest rates between short term debt and long term debt prompted the Applicant to revise their plan and Mr. Barnard indicated that he did not expect that the debt would be converted by the fiscal year end. Since the short term debt is at an interest rate equal to the prime interest rate and the long term debt would have been at a rate 1¼ percentage points above the prime interest rate, not converting the debt will result in a cost of debt lower than if the debt had been converted. Therefore, the Commission has made this necessary adjustment in order to determine the cost of debt.

7.3 Cost of Equity

The Commission is of the view that a range of return on equity of 14 to 16 percent is reasonable and therefore has accepted the Applicant's proposed cost of equity of 15 percent for the purpose of determining a revenue requirement.

7.4 Allowed Range of Return on Total Capital

The allowed rate of return for revenue requirement purposes is set equal to the Applicant's telephone operations overall cost of capital. This is determined using the Applicant's capital structure weights as at August 31, 1981, the embedded cost of debt and the allowed range of return on equity.

In Table IV, the calculation of the overall cost of capital is presented. The revenue requirement is based on an allowed rate of return range from 17.56 to 17.86 percent for this application, with the midpoint of 17.71 percent employed for the purpose of calculating the Applicant's revenue requirement.

TABLE IV

Calculation of the Overall Cost of Capital
1981 Test Year

	Capital Structure Weights[20]	Cost Rate	Weighted Cost
1. Total Debt	84.8%	18.19%[21]	15.43%
2. Common Equity	15.2%	14-16[22]	2.13-2.43
3. Total	100.0%		17.56-17.86%

[20] Section 7.1.3
[21] Section 7.2
[22] Section 7.3

8.0 REVENUE REQUIREMENT

The revenue requirement for the purpose of this application is based on a 1981 test year ending August 31, 1981. The subject of test year and the Commission's findings with respect to this matter are presented in section 3.0 of this Order.

Table V presents the Applicant's 1981 income statement, the Commission's adjustments and the revised income statement.

Table VI is the Commission's calculation of the Applicant's additional revenue requirement.

ONTARIO TELEPHONE SERVICE COMMISSION
Order No. 4067

TABLE V

1981 Test Year
Income Statement

	Reply to Interrogatory OTSC05JUN81-601	Commission Adjustments	Revised Income Statement
1. Local Service	$1,273,767	29,604[23]	$1,303,371
2. Long Distance Service	1,503,342	131,703[23]	1,635,045
3. Miscellaneous Service	140,145	13,031[23]	153,176
4. TOTAL OPERATING REVENUES	$2,917,254		$3,091,592
5. Depreciation	$ 484,624		$ 484,624
6. Maintenance	465,258		465,258
7. Traffic	73,926		73,926
8. General Office	570,617		570,617
9. Other	150,753	8,717[24]	159,470
10. TOTAL OPERATING EXPENSES	$1,745,178		$1,753,895
11. NET OPERATING REVENUES	$1,172,076		$1,337,697
12. Income Taxes	14,411	82,811	97,222
13. TOTAL INCOME	$1,157,665		$1,240,475
14. Interest Charges	1,143,254		1,143,254
15. NET INCOME	$ 14,411		$ 97,221
16. Rate of Return on Common Equity	1.2%		8.3%
17. Rate of Return on Total Capital	15.1%		16.1%
18. Common Equity	$1,171,368[25]		$1,171,368
19. Total Capital	7,682,564[25]		7,682,564

[23] Section 4.4

[24] Section 5.2

[25] Section 7.1.3

TABLE VI

Additional Revenue Requirement

1.	Rate Base	$7,682,564[26]
2.	Allowed Rate of Return	17.71[27]
3.	Total Income Required before Interest Charges (Line 1 x Line 2)	$1,360,582
4.	Total Income Before Interest Charges	1,240,475[28]
5.	Additional Revenue Requirement before Taxes (Line 3 - Line 4)	120,107
6.	Allowance for Additional Income Taxes	120,107
7.	Total Additional Revenue Requirement	$ 240,214

[26] Section 6.1

[27] Section 7.4

[28] Section 8.0, Table V, line 13.

8.0 REVENUE REQUIREMENT (Contd...)

Based on the findings as discussed in this Order and based on the calculation of the additional revenue requirement in Table VI, the Commission concludes that, based on a 1981 test year, the Applicant has an additional revenue requirement of $240,214.

In section 2.0 of this Order, it was noted that the Applicant had applied for an additional $176,088 in annual revenues, derived from an interim increase of $103,632 and a final increase of $72,456. Order No. 4054 issued April 29, 1981 approved interim increases in local rates and non-recurring service charges which will generate additional annual revenues of approximately $90,864.

In section 1.0 of this Order, the Commission approved the final rate structure as proposed by the Applicant. It is estimated that the revised rate structure will generate additional annual revenues of $85,224 out of the $240,214 additional revenue requirement as calculated in Table VI above. The Commission notes that even with this rate increase there will still be a shortfall in revenues of approximately $154,990.

9.0 QUALITY OF SERVICE

The Commission is pleased to note that there were substantially fewer submissions made in response to this general rate application than have been received in the past. This is one indication to the Commission that more subscribers are satisfied with the quality of service provided by the Applicant. However, the hearings held in Lion's Head on June 16, 1981, Cambray on June 24, 1981 and in Toronto on July 23, 1981 indicated to the Commission that there were still some subscriber concerns which need to be addressed by the Applicant.

9.1 Field Hearing in Lion's Head

The comments and criticisms received from the subscribers of the Dyer's Bay, Lion's Head, Stokes Bay and Tobermory exchanges clearly indicated a desire for extended area service (EAS) between the four exchanges. The lack of extended area service results in very high monthly telephone bills for some customers. Mr. Barnard, witness for the Applicant, responded to the concerns by stating, in part,

> ...it is desirable that EAS exists in this area, but our problem is again just one of dollars and cents, and if we lose the total revenue that we are now generating...then it just further increases our losses, and financially we are in the position where we just can't absorb those losses unless we get some revenues to offset them.[29]

The Commission recognizes that there are substantial costs associated with providing EAS between exchanges. However, in light of the number of complaints during the hearing, the Applicant's recognition of the need for EAS and the additional revenue to be earned by the Applicant as a result of the rate increases and the toll revenue supplement, the Commission expects the Applicant to review the feasibility of providing extended area service between the Dyer's Bay, Lion's Head, Stokes Bay and Tobermory exchanges.

---

[29] Transcript of the proceedings of a public meeting held at the Arena, Lion's Head, Ontario on Tuesday, June 16, 1981, p.73.

9.1 Field Hearing in Lion's Head (Contd...)

As a result of the public meeting in Lion's Head on June 16, 1981 and after reviewing the written submissions from subscribers in the Tobermory and Lion's Head territories, the Commission is pleased to note the reduction in the number of complaints regarding the quality of service in general. This is mainly due to the Applicant's construction program in the serving territory and the Commission hopes to see a continuing improvement in the quality of service, and will be monitoring Amtelecom to ensure such improvements are taking place.

9.2 Field Hearing in Cambray

Many of the oral submissions made at the public meeting on June 24, 1981 in Cambray were in regard to the limited extended area service (EAS). Although the Cambray exchange has EAS with the Oakwood exchange, the community of interest for many of the Cambray residents is Lindsay. As a result many subscribers incur high monthly toll bills for their required calling to Lindsay. During the hearing in Cambray however Mr. Barnard provided the following explanation and commitment to the subscribers:

> ...we did state quite some time ago and in letters that we have written to you people that we are prepared to provide Extended Area Service with Lindsay, but that cannot be provided before May of 1983, simply because it requires the cooperations of our company with Bell Canada; and Bell Canada will not be making any additions or changes to their toll facilities in Lindsay, until May of 1983 and at that time they are prepared to interconnect with us for EAS, so it is our plan.[30]

---

[30] Transcript of the field hearing at the Cambray Community Centre, Cambray, Ontario on Wednesday, June 24, 1981, p.55.

9.2 Field Hearing in Cambray (Contd...)

The Commission has taken special note of this commitment and the date by which EAS will be provided.

During the field hearing in Cambray, the Commission also heard from a number of individuals representing, Taravista Estates which is provided telephone service by the Applicant. Mr. Barber and Mrs. Vogan of Taravista Estates also participated in the financial hearing held in Toronto on July 23, 1981.

Residents of the Taravista Estates were particularly concerned with the lack of EAS and the exclusion of Taravista as a locality rate area. These two concerns were recurring from Amtelecom's last rate application of October 1979 and the previous Cambray field hearing held September 25, 1980. At that time, the Applicant had proposed to designate Taravista Estates as a locality rate area and proposed rates which would have been lower than rates in other areas of the Cambray exchange. During the hearing held in regard to this Application, the question of a locality rate area was raised by the Taravista subscribers. The Commission has heard the subscribers' presentation but has not been convinced that there is any new evidence to vary its decision made in Order No. 4017 issued December 17, 1980. In that Order, the Commission found that one flat rate for each grade of service offered throughout the Cambray exchange was most appropriate. The rationale for denying base rate area rates for the Town of Cambray and locality rate area rates for Taravista Estates is repeated below:

9.2 Field Hearing in Cambray (Contd...)

> The central office which serves the exchange is not located in the Town of Cambray but in the physical centre of the exchange, an area which is sparsely populated. Therefore, there is little, if any, economic justification for offering the subscribers in the Town of Cambray a telephone rate which is lower than that offered to their neighbours in the rural area. Furthermore, the exchange is relatively small both in terms of the territory served and the number of subscribers served. The same reasoning applies with respect to the Applicant's proposal to establish Taravista Estates as a locality rate area [31] (emphasis added)

10.0 COMMENT

In section 8.0 of this Order, the Commission calculated an additional revenue requirement of $240,214. The revised rate structure approved in this Order will not generate the additional revenues required. However, the Commission is aware that a decision is pending from the Canadian Radio-television and Telecommunications Commission regarding a proposed increase in toll rates. Should these rates be approved in part or in full, the Applicant may realize substantially more revenues in the 1982 fiscal year than had been forecast.

---

[31] Order No. 4017 issued December 17, 1980, p.31.

10.0 COMMENT (Contd...)

The Applicant has also reached an agreement with Bell Canada which will provide the Applicant with revenues over and above that which would normally have been retained. The Commission understands that this supplement is to be renegotiated or recalculated annually. The Commission is pleased that this initiative has been successful and recognizes the benefit which may accrue to Amtelecom Incorporated and its subscribers in 1982 and in the future. Although it is expected that the supplement will aid the Applicant and will strengthen the financial position, the Commission has not had an opportunity to analyze or assess the impact of the agreement but hopes that it will be significant in addressing the shortfall identified in this Order.

The Commission has some concern over the methods employed by the Applicant to project for the 1981 test year. There is concern particularly with the 1981 estimated revenues. The 1981 test year was forecasted in Exhibit 2 of the application with 5 month actuals and 7 month estimates. However, when 9 month actuals became available and submitted in reply to interrogatory OTSC05JUN81-601, toll service revenues were re-estimated from $1,476,000 to $1,503,342. When this issue was pursued during the financial hearing of July 23, 1981, Mr. Berko, witness for the Applicant, admitted that toll revenue was not forecasted using the number of messages but by observing increases in toll revenue over a three or four month period. It is the Commission's opinion that this type of forecasting results in unreliable estimates and errors, as observed in the Applicant's 1981 toll revenue estimates. Since the financial data used in the 1981 test year were based on 9 month actuals and only 3 month estimates, the Commission feels reasonably confident employing 1981 as the test year. However, had the Commission been required to rely on estimates covering a 5 month period or more in the test year, the Commission would

10.0 COMMENT (Contd...)

have undoubtedly re-evaluated the appropriateness of such a test year. It is the Commission's hope that the Applicant will seriously review its forecasting techniques and revise them where appropriate for any future rate application.

Finally, the Commission wishes to comment on the Applicant's sincere attempt to keep rates in its serving territory to an acceptable and comparable level. Although certain financial pressures, particularly interest charges provide an incentive for larger rate increases the Applicant appears to be making a conscientious effort to keep rates at a level comparable to rates in other areas of the Province while at the same time providing a grade of service acceptable to the subscribers.

11.0 RATES

11.1 Basic Monthly Exchange Rates

A. Aylmer, Port Burwell, Straffordville.

	MONTHLY RATE BUSINESS	RESIDENCE
Individual Line	16.25	7.80
Two-party Line	13.80	6.10
PBX Trunk Line	25.75	-

11.1 Basic Monthly Exchange Rates (Contd...)

B. Dyer's Bay, Lion's Head, Stokes Bay, Tobermory.

	MONTHLY RATE BUSINESS	RESIDENCE
Individual Line	15.10	7.20
Two-party Line	12.05	6.20
Four-party Line	-	8.80
Multi-party Line	8.50	5.50
PBX Trunk Line	23.00	-

Where individual and two-party line service is provided outside a Base Rate Area, Locality Rate Area or a Flat Rate Zone extra exchange mileage will apply.

11.2 Flat Rates

A. Cambray

	MONTHLY RATE BUSINESS	RESIDENCE
Individual Line	21.50	13.20
Two-party Line	18.25	11.20
Four-party Line	-	8.95
Multi-party Line	8.00	5.50

The above rates are applicable throughout the Cambray exchange.

ONTARIO TELEPHONE SERVICE COMMISSION
Order No. 4067

11.2 Flat Rates (Contd...)

B. Dyer's Bay, Lion's Head, Stokes Bay, Tobermory.

	MONTHLY RATE BUSINESS	RESIDENCE
Individual Line	22.25	13.35
Four-party Line	-	8.80
PBX Trunk Line	32.00	-

The above rates are applicable in rural areas where service has been upgraded to individual and four-party service.

C. Aylmer, Port Burwell, Straffordville.

	ZONE 1	ZONE 2	ZONE 3
BUSINESS MONTHLY RATE:			
Individual Line	25.35	26.00	26.60
Two-party Line	21.50	22.10	22.60
PBX Trunk Line	38.10	39.00	39.80
RESIDENCE MONTHLY RATE:			
Individual Line	14.45	14.90	15.30
Two-party Line	10.85	11.20	11.70

The above rates are applicable in rural areas where service has been upgraded to individual and two-party service.

ONTARIO TELEPHONE SERVICE COMMISSION
Order No. 4067

11.3 Locality Rate Area

A. Bayham, Eden, Orwell.

	MONTHLY RATE BUSINESS	RESIDENCE
Individual Line	22.55	11.80
Two-party Line	19.20	8.85
PBX Trunk Line	36.00	-

B. Lyons, Mount Salem, New Sarum, Port Bruce.

	MONTHLY RATE BUSINESS	RESIDENCE
Individual Line	23.10	12.40
Two-party Line	19.60	9.40
PBX Trunk Line	36.80	-

C. Springfield, Vienna.

	MONTHLY RATE BUSINESS	RESIDENCE
Individual Line	22.20	11.35
Two-party Line	18.90	8.55
PBX Trunk Line	35.80	-

ONTARIO TELEPHONE SERVICE COMMISSION
Order No. 4067

11.4 Extension Telephones

A. Aylmer, Port Burwell, Straffordville.

	MONTHLY RATE
Business	2.25
Residence	1.50

B. Cambray

	MONTHLY RATE
Business	1.95
Residence	1.60

C. Dyer's Bay, Lion's Head, Stokes Bay, Tobermory.

	MONTHLY RATE
Business	2.95
Residence	1.50

No increases in extension telephone rates have been approved in this Order.

ONTARIO TELEPHONE SERVICE COMMISSION

ORDER NO. 4074

Friday, the 9th day of October, A.D. 1981.

B E F O R E

W. Bielski, Q.C. Chairman,	)	IN THE MATTER of sections 6(1), 10, 12, and 105 of The Telephone Act (R.S.O. 1980, c.496),
F. Wall, Vice-Chairman,	)	and
E. A. Frith, Member, and	)	IN THE MATTER of a rehearing of an application by the Roxborough Telephone Company Limited for approval of a change in rates for local telephone service.
M. E. Parry, Member.	)	

HEARD AT:

TORONTO, SEPTEMBER 16, 1981.

1.0 ORDER

1.1
UPON THE APPLICATION of the Roxborough Telephone Company Limited, hereinafter referred to as the Applicant, upon rehearing the application and new evidence filed, under and in pursuance of sections 10 and 105 of The Telephone Act (R.S.O. 1980, c.496) for approval of a change in rates for local telephone service,

1.2
THE COMMISSION HEREBY revokes under and in pursuance of section 10 of The Telephone Act (R.S.O. 1980, c.496) Order No. 4021 dated December 11, 1980,

1.3
THE COMMISSION HEREBY AUTHORIZES under and in pursuance of sections 6(1), 12, and 105 of The Telephone Act (R.S.O. 1980, c.496) the Applicant to increase local telephone service rates to generate additonal annual revenues of $4,741. as calculated in section 5.2, Table IV of this Order.

1.4
THE COMMISSION ORDERS that the Applicant prepare and submit to the Commission, for approval, a revised rate structure which will generate total additonal local service revenues of $4,741. annually, and the rates shall become effective on or after November 1, 1981. The calculation of the revised rates shall be based on the estimated average revenue producing units in service at the 1980 year end. The rates to be used for four-party service will remain the same as approved by Order No. 4021, namely:

Four-party Residence.....$ 5.25
Four-party Business.....$ 8.00

2.0 BACKGROUND

The Applicant filed an application for approval of changes in local telephone service rates and non-recurring service charges on May 27, 1980. The application, as filed, requested an additional $6,716. in annual revenues, which equated to an 18.6% increase in local telephone service rates.

The Applicant mailed a "Notice of Application for Increased Telephone Rates" on July 10, 1980, to each of its customers which set out the present and proposed rates. Written interventions were to be filed with the Commission on or before August 11, 1980, and no submissions were received.

Notice of a public hearing as to the application to be held in Toronto on December 9, 1980, was placed in the newspapers having general circulation in the Applicant's serving territory and no written or oral interventions were made by customers during the actual hearing. Neither the Applicant nor its representative appeared before the Commission on the date of the hearing.

The Commission, based on the evidence so filed by the Applicant on the date of the application, and the related responses obtained through interrogatories, issued Order No. 4021 on December 11, 1980. The Commission denied the application for the approval of a change in rates for local telephone service except for the rates for four-party service.

The Applicant, on March 5, 1981, filed an application requesting a rehearing of the May 27, 1980 application under section 10 of The Telephone Act, indicating that new evidence was available.

The Commission, on April 23, 1981, decided to rehear the rate application of May 27, 1980, based on the new evidence so filed.

2.0 BACKGROUND (Cont'd)

Notice of a public rehearing of the application to be held in Toronto on September 16, 1981, was placed in newspapers having general circulation in the Applicant's serving territory, and no written or oral interventions were made by customers during the hearing.

The Commission reheard the application on September 16, 1981.

3.0 REASONS

With regard to the application as filed initially, the Commission in utilizing an invested capital rate base in its calculation of revenue requirement requested information on indicated bank loans through interrogatories OTSC04JUL80-201 and OTSC17OCT80-201A.

The Commission also enquired as to a loan made in 1978 by the Applicant to a shareholder in the amount of $68,000. and was provided with details regarding the loan in response to interrogatories OTSC04JUL80-801 and OTSC17OCT80-801A. These details indicated that the Applicant had incurred bank indebtedness in the amount of $68,000. which it, in turn, loaned to the shareholder. The Commission determined, as a result of the evidence so filed:

> "...that it is inappropriate to allow the Applicant to recover from its customers the costs associated with repayment of such a loan, or to allow the Applicant to earn a rate of return on capital which is not invested to provide telephone service to the customers of the system."

3.0 REASONS (Cont'd)

For this reason, the average portion of the shareholder loan outstanding in 1980 was excluded from the average invested capital rate base and the following preliminary calculation made of the Applicant's revenue requirement indicated that the Applicant's estimated income for 1980 was in excess of the revenue requirement. The Commission did not need to proceed further.

Therefore, the application of May 27, 1980 for increased revenue requirement was denied, but the rates for four-party service were approved as per Order No. 4021 dated December 11, 1980.

The Commission obtained new evidence as follows:

(a) Thirty percent of the residence is being used by the company for the administration and business office and workshop. The loan made to the shareholder was for the purpose of purchasing the principal residence.

(b) The salary of the President, a key employee performing in various capacities, and a major shareholder of the company, had been maintained at an average of $11,000 per annum. The estimated salary of someone else performing the same functions would be $30,000 per annum.

(c) Part of the residence was used also as a storage area for repair materials and supplies.

Based on this new evidence, the Commission calculated on an adjusted 1980 actual test year a revenue requirement of $4,741., or as a percentage, a 12.2% increase. In its application as filed initially, the Applicant employed an estimated 1980 test year and requested an increase of 18.6% without adjustments. The net estimated income was understated by 26% in comparison to the 1980 actual reported results. This coupled with the adjustments due to the

3.0 REASONS (Cont'd)

required subsequent filing in response to interrogatories resulted in the reduction of revenue requirement.

4.0 RATE BASE

The Commission utilized an invested capital rate base in its calculation of revenue requirement. This invested capital rate base is taken from the figures provided in the 1980 Audited Financial Statements. Excluded from the invested capital rate base was 70% of the total average of the shareholders' loan receivable. In 1979, from Exhibit 2 page 6 of the application, this receivable was $63,119. In 1980, from Audited Financial Statements, this amount was $49,285. After recognizing from the new evidence submitted that the personal residence for which the loan was used, 30% is business occupancy, and 70% personal occupancy. Seventy percent of the average of the 1979 and 1980 amounts for shareholders loan is $39,341. This amount was removed from the debt component of the rate base. The result of this adjustment is presented in Table I.

Table I

ROXBOROUGH TELEPHONE COMPANY LIMITED
ADJUSTED INVESTED CAPITAL RATE BASE

INVESTED CAPITAL ACTUAL AUDITED 1980		COMMISSION ADJUSTMENT	REVISED TOTAL
Total debt	$ 85,771	($39,341)	$ 46,430
Preferred	47,330		47,330
Common Equity	26,921		26,921
	$160,022	($39,341)	$120,681

5.0 RATE OF RETURN

The Applicant proposed the use of 20.0% for the cost of equity for purposes of the application. It is telt that the 20.0% is high in light of the cost factors previously granted by the Commission in other applications, normally in the range of 14.0% - 16.0%.

Taking into account the size of the operation, the 1980 interest levels, a cost of equity of 16.0% was utilized. The resulting capital structure and costs are presented in Table II.

TABLE II

ROXBOROUGH TELEPHONE COMPANY LIMITED
CALCULATION OF COST OF CAPITAL

	CAPITAL	STRUCTURE	COST RATE	WEIGHTED COST
	$	%	%	%
Debt	46,430	38.5	17	6.55
Preferred Equity	47,330	39.2	10	3.92
Common Equity	26,921	22.3	16	3.57
	$120,681	100.0%		14.04%

6.0 REVENUE REQUIREMENT

6.1 CALCULATION OF TOTAL INCOME WITHOUT RELIEF

Based on the new evidence filed and detailed in Table III, the Commission adjusted the total income without relief figure.

TABLE III

ROXBOROUGH TELEPHONE COMPANY LIMITED
CALCULATION OF TOTAL INCOME WITHOUT RELIEF

1.	Actual 1980 net income	$ 9,280
2.	Actual 1980 interest charges	13,571
3.	Total income before interest	$ 22,851
4.	Additional rental cost that would be incurred if it were required to rent space elsewhere	$(5,700)
5.	Salary differential of Mr. Beach doing major work himself rather than hiring additional individual	$(19,000)
6.	Dividends paid out. This factor is added reflecting decision to take dividends in lieu of salary	$ 15,000
7.	Adjusted total income without relief	$ 13,151

6.2 REVENUE REQUIREMENT

The additional revenue requirement is calculated as shown in Table IV.

TABLE IV

ROXBOROUGH TELEPHONE COMPANY LIMITED
CALCULATION OF REVENUE REQUIREMENT

1.	Total Capital	$120,681
2.	Rate of Return	14.04%
3.	Total Income	$ 16,944
4.	Total Income Without Relief	$ 13,151
5.	Additional Revenue Requirement	$ 3,793
6.	Additional Taxes	$ 948
7.	Total Additional Revenue Requirement	$ 4,741
8.	Average Rate Increase	12.2%

7.0 GENERAL COMMENT

The Commission, when deliberating on an application for a rate increase, comes to a decision only after a conscientious and diligent review of such evidence as originally supplied by the Applicant or in response to subsequent interrogatories. This evidence, or lack thereof, forms a very important and critical part of the hearing process. In the decision process, it is Commission policy to weigh carefully the facts as presented, and not to be influenced by any extraneous intercession.

With respect to this particular application, the Commission had no alternative but to deny the Roxborough Telephone Company Limited their request for approval for a change in rates for local telephone service, in the initial instance, as a result of the evidence filed.

Based upon the request of the Applicant for a rehearing and further, through the arduous efforts of the Commission by means of additional interrogatories, prolonged by the apparent lack of understanding on the part of the Applicant of the requirements of the Commission to make a determination, did the Commission grant a rehearing.

After a careful review of the new evidence, adjustments were made and an increase in rates granted.

Chairman.

Ontario

ONTARIO TELEPHONE SERVICE COMMISSION

Order No.4077
Thursday, the 29th day of October, A.D. 1981

B E F O R E

W. Bielski, Q.C.
Chairman,
F. Wall,
Vice Chairman, and
M. E. Parry,
Member.

IN THE MATTER of sections 6(1), 12 and 105 of The Telephone Act (R.S.O. 1980, c.496)

and

IN THE MATTER of an application by the North Renfrew Telephone Company Limited for a change in the rates for local telephone service

HEARD AT:

Beachburg, September 10, 1981

ONTARIO TELEPHONE SERVICE COMMISSION
Order No. 4077

For the Applicant:

NORTH RENFREW TELEPHONE COMPANY LIMITED

Mr. W. Vandekemp	Manager, Secretary-Treasurer
Mr. B. Thompson	Accountant
Mr. B. Stephen	Chairman of the Board of Directors
Mr. A. Gervais	Director

FOR THEMSELVES

Mr. W. Pinkerton

Mr. J. Kanaar

Mr. J. Beaudoin

Mrs. J. Beaudoin

Mrs. R. Pappin

1.0 ORDER

1.1

UPON THE APPLICATION of the North Renfrew Telephone Company Limited, hereinafter referred to as the Applicant, upon reading the said application, other material filed and evidence presented at the hearing, under and in pursuance of section 105 of The Telephone Act (R.S.O. 1980, c.496) for approval of a change in rates for local telephone service.

1.2

THE COMMISSION HEREBY AUTHORIZES, under and in pursuance of sections 6(1), 12 and 105 of The Telephone Act (R.S.O. 1980, c.496), the Applicant to increase local service rates to generate additional annual revenue of $23,564 as calculated in section 8.0, Table VI of this Order.

1.3

THE COMMISSION ORDERS that the Applicant file for approval, a revised rate structure which will generate total additional local service revenues of $23,564 annually, and to become effective on or after December 1, 1981. The calculation of the revised rates shall be based on the estimated average revenue producing units in service at the 1980 year end.

2.0 BACKGROUND

The Applicant filed an application for approval of changes in local telephone rates and non-recurring service charges on April 7, 1981, requesting additional local service revenues of $24,522 based upon a 1980 test year.

2.0 (Contd...)

The Applicant mailed a Notice of Application for Increased Telephone Rates on June 6, 1981 to each of its customers which set out the present and proposed rates. Written interventions were to be filed with the Commission on or before July 6, 1981 and no submissions were received.

Notice of a public hearing regarding the application was placed in the Cobden Sun and The Pembroke Observer, newspapers having general circulation in the Applicant's serving territory, on August 26, 1981 and September 2, 1981 and the hearing was subsequently held in the Lion's Community Hall, Beachburg, Ontario on September 10, 1981 at 7:30 p.m.

3.0 TEST YEAR

The use of a test year for a revenue requirement calculation permits the Applicant and the Commission to focus on a set of financial data for a particular operating period adjusted for known changes.

The Applicant, in its application, utilized an historic test year, 1980. The Commission, because the 1980 financial statements would reflect more accurately the financial requirements of the Applicant, has accepted the historic year, 1980, as the test year.

4.0 REVENUES

4.1 Local Service Revenues

The Applicant's 1980 financial statements shows local service revenues of $100,725 which the Commission considers acceptable for use in this application.

4.2 Toll Service Revenues

The 1980 financial statements indicated toll service revenues of $99,282. The Applicant in its response to Commission interrogatory OTSC13MAY81-101 identifies an amount of $7,483 as relating to the 1979 fiscal year. This amount is excluded from the calculation of operating revenues for 1980 and results in 1980 toll revenues of $91,799, which the Commission has utilized for this application and is reflected in Table I.

4.3 Miscellaneous Revenues

The Applicant's 1980 financial statements show miscellaneous revenues of $7,753 which the Commission considers acceptable for use in this application.

TABLE I

North Renfrew Telephone Company Limited
1980 Operating Revenues

	Exhibit No. 3	Adjustment	Revised Total
Local Service Revenues	$100,725		$100,725
Toll Service Revenues	99,282	($7,483)	91,799
Miscellaneous Revenues	7,753		7,753
	$207,760	($7,483)	$200,277

The resultant change in revenues will have a corresponding affect on income tax expense and other taxes and these adjustments are shown in Table II.

5.0 EXPENSES

5.1 Operating Expense

The Commission has examined the operating expenses for the 1980 test year and has required the Applicant to provide additional information regarding some items. As a result of this analysis and for the purpose of determining an additional revenue requirement, operating expenses are found acceptable.

5.2 Depreciation Expense

The Applicant, in accordance with Order No. 4013, calculated on the straight line basis and at a five percent (5%) composite rate its depreciation for 1980 (Exhibit 3 of the Application). This amounted by its calculation to an adjustment to the financial statements of approximately $2,100.

The Commission, however, utilizing the schedules of asset additions and disposals since 1957, provided for in the last application, recalculated on the straight line basis the depreciation expense for 1980. The revised depreciation expense for 1980 so arrived at was $34,189, an adjustment of $2,903 to the 1980 financial statements. The increase of $803 to the Applicant's adjustment of $2,100 to depreciation expense is the result of maintaining continuity with respect to depreciation calculations made at the time of the last application. This adjustment of $2,903 is shown in Table II, together with the resulting adjustments to taxes.

5.3 Interest Expense

The Commission noted in its Order No. 4013 a number of promissory notes of the Applicant with low interest rates coming due in th period between 1981-1983. The Commission also expressed its concern over the Applicant's construction

5.3 (Contd...)

program and its ability to obtain the capital and repay the long-term indebtedness. The Commission suggested that the Applicant review its construction and financing programs to ensure that sufficient revenues will be generated to cover costs.

The interest rate paid on bank loans is one and three quarters (1.75) percent over bank prime and amounted to $31,899 in 1980 and the total interest charges for the test year amounted to $42,535, an increase of $11,769 over 1979.

As recommended by Order No. 4013, the Applicant has reviewed and revised its construction program. This is indicated in Exhibit 2, page 9, line 1 and by response to interrogatories OTSC13MAY81-302 and 303.

The Applicant submitted during the hearing that it is also cognizant of its need to refinance and that it is presently undertaking the necessary action.

ONTARIO TELEPHONE SERVICE COMMISSION
Order No. 4077

TABLE II

North Renfrew Telephone Company Limited

Income Statement
December 31, 1980
$(000)

	Exhibit No.3	Adjustment	Revised Income Statement
1. Local Service Revenues	100,725		100,725
2. Toll Service Revenues	99,282	(7,483)[1]	91,799
3. Miscellaneous Revenues	7,753		7,753
4. TOTAL OPERATING REVENUES	207,760	(7,483)	200,277
5. Operating Expenses	112,687		112,687
6. Depreciation Expense	37,092	(2,903)[2]	34,189
7. Other Taxes	8,837	(374)[3]	8,463
8. TOTAL OPERATING EXPENSES	158,616	(3,277)	155,339
9. Net Operating Income	49,144	(4,206)	44,938
10. Income Taxes	1,367	(1,052)[3]	315
11. Operating Income	47,777	(3,154)	44,623
12. Other Income	257		257
13. TOTAL INCOME	48,034	(3,154)	44,880
14. Interest Charges	42,535		42,535
15. NET INCOME	5,499	(3,154)	2,345

[1] Table I, section 4.3

[2] Section 5.2

[3] Section 4.3

6.0 RATE BASE

The Commission, utilizing an invested capital Rate Base is determining the revenue requirement, and maintaining the continuity established by the previous order in re-calculating the retained earnings due to the Applicant's use of the declining balance method of depreciation rather than straight line, recalculated the retained earnings component of invested capital as of December 31, 1980. This calculation is shown in Table III.

TABLE III

North Renfrew Telephone Company Limited
Adjusted Retained Earnings as at
December 3, 1980

1.	Adjusted Retained Earnings as at January 1, 1980	$67,892
2.	Net Income for the period[4]	2,345
3.	Dividends paid	(1,524)
4.	Adjusted Retained Earnings as at December 3, 1980 (1+2+3)	$68,713
5.	1980 Retained Earnings per Financial Statement	$78,384
6.	Retained Earnings Adjustment (Line 5-4)	($9,671)

[4] Table II

Table IV indicates the composition of the invested capital rate base following the adjustments to shareholder's equity detailed below.

TABLE IV

North Renfrew Telephone Company Limited

Components of Invested Capital Rate Base

December 31, 1980

	Exhibit No.3	Adjustment	Revised Total
Debt	$340,128		$340,128
Common Equity	100,164	(9,671)[5]	90,493
	$440,292	(9,671)	$430,621

[5] Table III

7.0 RATE OF RETURN

The Commission accepts the Applicant's proposed 13.0 percent for the rate of return on equity for purposes of this application. The Commission again suggests that the Applicant review its capital structure and requirements in light of the current interest levels and competition for investor funds. The resulting capital structure and costs are presented in Table V.

TABLE V

North Renfrew Telephone Company Limited

Calculations of Cost of Capital as at December 31, 1980

	Capital $	Structure %	Rate %	Weighted Cost %
Debt	$340,128	79.0	15.249	12.1
Common Equity	90,493	21.0	13.0	2.7
	$430,621	100.0		14.8

8.0 REVENUE REQUIREMENT

The additional revenue requirement is calculated as shown in Table VI.

TABLE VI

North Renfrew Telephone Company Limited

Calculation of Revenue Requirement

1.	Total Capital	$430,621
2.	Rate of Return	14.8%
3.	Income Requirement Before Interest	63,731
4.	Total Income Before Interest	44,880
5.	Additional Revenue Requirement Before Income Taxes	18,851
6.	Allowance for Income Taxes	4,713
7.	Total Additional Revenue Requirement	$23,564

9.0 QUALITY OF SERVICE

The Commission has not received any service complaints from customers of the Applicant, nor were any written submissions received against the proposed rate increase as outlined in the application.

The Applicant on the suggestion of the Commission, through its Order No. 4013 of November 28, 1980, reviewed its construction program and revised its expenditures for construction, basically in light of the higher interest rates and related debt. The Applicant, however, is presently proceeding more cautiously on its construction program in order to both maintain its financial viability and retain the necessary quality of service.

9.0 (Contd...)

The hearing in Beachburg on September 10, 1981, indicated the concerns of some of the subscribers of the system.

The comments and criticisms received from the subscribers of North Renfrew Telephone Company Limited clearly indicated a desire for the upgrade of telephone service from multi-party, particularly for those subscribers that operate a business. Mr. Vandekemp, witness for the Applicant, responded to this concern by stating in part,

> .....we have been doing quite a few areas, everything below Beachburg is either one, two, or four and we are going out that way now. Yesterday we completed one line just outside of Beachburg, so everything on that side of Beachburg will be up to four party. In future years,...right up to 1990 everybody would be one, two, or four and that would pretty well rebuild all sideroads.[6]

The criticisms raised by the subscribers at the hearing were with respect to continued use of older, open lines which caused static problems. It was indicated by the Applicant that when funds were available, new cable would be put in. The Applicant indicated that it was maintaining the line to the best of its ability and when financially able would do everything possible to eliminate the older lines.

The Applicant was urged by the Commission to meet with any and all subscribers who had complaints in order to come to an agreeable solution, particularly such subscribers as heard by the Commission. The Commission expects to be informed of such solutions as reached and accepted by the subscribers.

---

[6] Transcript of the proceedings of a public meeting held at the Lion's Community Hall, Beachburg,Ontario, on Thursday, September 10, 1981, p.9.

10. GENERAL COMMENT

The Commission is pleased that the Applicant has followed the Commission's previous suggestions concerning construction and capital and again recommends that the Applicant continue to monitor its construction expenditures and adjust its program according to the financial resources available and the requirements of the subscribers. The Applicant should also, in light of future capital requirements continue any action necessary to maintain the financial stability of the System.

Chairman

Ontario

ONTARIO TELEPHONE SERVICE COMMISSION

Order No. 4080
Thursday, the 29th day of October,A.D.1981

B E F O R E

W. Bielski Q.C., Chairman	)	IN THE MATTER of sections 6(1) and 91 of The Telephone Act (R.S.O. 1980, c.496)
E. A. Frith, Member, and	)	and
M. E. Parry, Member.	)	IN THE MATTER of an application by the Zenith Radio Corporation for approval of connection of the customer-provided Zenith Radio Space Phone to the telephone networks of the telephone systems in Ontario.

HEARD AT:

TORONTO, AUGUST 11, 1981.

APPEARANCES

For the Zenith Radio Corporation	J. Richard W. Szydlowski R. Zinn
For the Canadian Business Equipment Manufacturers Association	G. Murray F. Prince
For the Canadian Federation of Communication Workers	C. Salama
For the Nine Telephone Systems represented by Petition	B. Wagner
For Northern Telephone Limited	M. Cooper P. Paquette D. Pezzack
For the Ontario Telephone Association	G. Maxfield K. Stevens

1.0 ORDER

1.1
UPON THE APPLICATION of the Zenith Radio Corporation, hereinafter referred to as the Applicant, upon reading the said application and other material filed and evidence presented during the hearing,

1.2
THE COMMISSION HEREBY APPROVES, under and in pursuance of sections 6(1) and 91 of The Telephone Act (R.S.O. 1980, c.496) the connection of the customer-provided the Zenith Space Phone to the telephone network of the telephone systems in Ontario

1.3
THE COMMISSION HEREBY ORDERS, under and in pursuance of sections 6(1) and 91 of The Telephone Act (R.S.O. 1980, c.496) the connection of the customer-provided Zenith Space Phone to the telephone networks of the telephone systems in Ontario by way of a Zenith 52-2440 type plug or its equivalent to be supplied by the customer and an adaptor, also to be supplied by the customer if required for compatability with the telephone system supplied jack.

1.4
THE COMMISSION FURTHER ORDERS, under and in pursuance of sections 6(1) and 91 of The Telephone Act (R.S.O. 1980, c. 496) that the connection of a customer-provided Zenith Space Phone be made only to an individual line grade of service.

ONTARIO TELEPHONE SERVICE COMMISSION
Order No. 4080

1.0 BACKGROUND

The Commission received an application dated November 10, 1981, from the Applicant for approval of connection of the customer-provided Zenith Space Phone, to the networks of the telephone systems in Ontario. The Commission had also received a similar application from Xerox Canada Limited, dated March 11, 1981, for the connection of the customer-provided Xerox Telecopier TC-485, to the networks of the telephone systems in Ontario. Since the applications were similar in nature the Commission decided to hear both applications concurrently.

In early May, notice of the two applications and the public hearing, scheduled for August 11, 1981, was placed in newspapers which serve the territory in which the telephone systems operate as well as in newspapers serving Ontario generally . The Commission also mailed the notice to each of the telephone systems, in Ontario, regarding the applications received from Zenith Radio Canada and Xerox Canada Incorporated. The notices specified that copies of the applications could be obtained from the Commission and that a public hearing was to be held in the Commission's offices on August 11, 1981. Written submissions were to be accepted until June 15, 1981 and the Applicant had until June 30, 1981 to respond to the submissions.

By June 15, 1981, the Commission had received written submissions from the following parties:

Canadian Business Equipment Manufacturers Association
Canadian Federation of Communication Workers
Nine Telephone Systems by Petition
Northern Telephone Limited, and
Ontario Telephone Association

One petition was endorsed by nine telephone systems, specifically, Brooke Municipal Telephone System, Hay Municipal Telephone System, Huron and Kinloss Municipal Telephone System, Hurontario Telephones Limited, Mornington Municipal Telephone System, North Norwich Municipal Telephone System, People's Telephone Company of Forest Limited, Tuckersmith Municipal Telephone System and Wightman Telephone Limited.

The Applicant received a copy of each of the written submissions on June 16, 1981 and the Commission received the Applicant's reply to those submissions on June 30,1981.

The Applicant and each of the intervernors were mailed on July 24, 1981 a copy of the tentative agenda for August 11, 1981 and were invited to make their comments regarding the agenda known to the Commission on or before August 5 1981. The Commission received and accepted one addition to the agenda from the Applicant.

On August 11, 1981, the Commission heard oral evidence from the Applicant and intervenors and at that time reminded all parties that final written argument would be accepted by the Commission.

The Commission deliberated on all evidence filed and a summary of the parties positions and the Commission's reasons for the decision is provided in section 3.0 of this Order.

3.0 SUMMARY

The Zenith Space Phone is similar to a speaker-phone. A sensitive microphone and speaker are mounted on the inside of the television set and the Zenith Space Phone allows the operator to answer incoming telephone calls with the use of a remote control device known as the Space Command Module. The Applicant pointed out to the Commission that the Zenith Space Phone is a passive device. The Zenith Space Phone can only be used to answer in-coming telephone calls and all outgoing telephone calls must be placed through a telephone system supplied terminal.

Other evidence filed by the Applicant showed that the Zenith Space Phone is particularly helpful to those who are bedridden, handicapped, or disabled. It also allows for more flexibility in the interior decoration of a household.

The Applicant provided evidence that the Zenith Space Phone has received approval from the Department of Communications under the Terminal Attachment Program (TAP), and that it has met the standards of the Federal Communications Commission in the United States. Furthermore, the Applicant provided evidence that the television has met the standards of the Canadian Standards Association

During the hearing on August 11, 1981, Mr. William Szydlowski, representing the Applicant, informed the Commission that the actual telephone device is isolated from any high voltage within the television set. Although the telephone device is within the television set Mr. Szydlowski informed the Commission that "the high voltage in the TV set could in no way get into the device and go back either onto the (telephone) network or anywhere else in the set." The television set has also undergone surge

voltage testing which simulates lightning strikes and has been found to meet both DOC and FCC requirements.

On a number of occasions during the hearing and in written evidence the Applicant confirmed that since the Zenith Space Phone is equipped with adequate protective circuitry, there is no reasonable possibility of any network harm occurring as a result of a malfunction in the television.

The Applicant promised to inform its customers, through its dealers, of any decision by the Commission in regards to any interconnection policies, tariffs, or restraints.

The Ontario Telephone Association (OTA) and the Nine Telephone Systems by Petition (the Petitioners) made arguments which were similar in nature. The two primary issues were identified as being; 1) approval of the interconnection of customer-provided terminal equipment pursuant to section 91 of The Telephone Act would ultimately result in a deterioration of revenues, and 2) each and every telephone system should first have an exclusive right of providing specific equipment and only where the telephone system has indicated that it will not or cannot offer a specific service should the equipment be approved for interconnection. Neither the OTA or the Petitioners provided any evidence indicating that approval of the application would result in a loss of revenues. Mr. Gordon Maxfield, spokesman for the OTA told the Commission that the OTA had not undertaken any studies on the possible impact the Zenith Space Phone might have on local or toll revenues. Although the OTA did generate some discussion on the potential loss of revenues as a result of interconnection, it was of a general nature but without evidence and not directly related to the Zenith Radio Corporation application for the interconnection of the Zenith Space Phone.

In regards to the second issue the OTA and the Petitioners contended that only in cases where a system has specifically indicated that it would not offer similar services should the Zenith Space Phone be approved for interconnection. In the OTA's final written argument it was stated that, "the Association maintains its previous argument that there are no substantial benefits to be derived from this communication device that cannot be obtained from hands-free, loud-speaking telephones available from the Independent Systems." and therefore submitted that the application should be denied.

Mr. Bill Wagner spokesman for the Petitioners conducted a cross-examination of Mr. Szydlowski of Zenith, in an attempt to show that in the case of a lightning strike there is a real possibility of damage to the telephone network to which the Space Phone is connected. The liklihood of such an occurance is all the more probable since the owner's manual to the television set does not instruct the user to ground the antenna. Mr. Wagner concluded by quoting the portion from the owner's manual which states that, "Harm could be caused to the telephone network if sets aren't properly connected."

Northern Telephone Limited (NTL) submitted that 1) any order issued by the Commission should be with respect to the specific non-addressable customer provided equipment and should be in accordance with the General Conditions and Maintenance Charges of Order No. 2612 issued January 21, 1970, 2) the provision of any service or equipment by NTL for the connection of Customer-provided equipment be subject to the service charges or monthly recurring charges as approved by the Commission, 3) that the customer be responsible for the provision of a plug or an adaptor which will be compatible with the Company provided jacks and, 4) that the connection of the Zenith Space Phone be restricted to individual line grade of service.

The Canadian Federation of Communication Workers (CFCW) submitted final argument in written form after the hearing of August 11, 1981. In that submission the CFCW stated, "The CFCW is most concerned about the attachment of Zenith speaker phone because of the possible negative effects this policy will have on jobs in the telephone industry directly affecting our affliated members." The CFCW went on to propose that if the application is approved by the Commission that it remain the responsiblity of the telephone systems and their employees for the repair and maintenaince of the Space Phone. The CFCW did not provide the Commission with any detailed quantified information regarding the impact on employment levels in the telephone industry should the application be approved. The CFCW concluded by stating that "the limited benefit to the public is far outweighed by the negative effects on the telephone industry."

Finally, the Canadian Business Equipment Manufacturers Association (CBEMA) related some of the general advantages of a liberalized terminal attachment policy and in that way supported the Applicant. However, no specific issue or evidence was put forward by CBEMA to aid the Commission in its deliberations on this specific application.

4.0 REASONS

The OTA and the Petitioners submitted that applications made pursuant to section 91 of The Telephone Act should be approved only under exceptional circumstances. The Commission was not convinced that section 91 should be interpreted in restrictive manner. Since section 91 does not indicate specific criteria for the provision of customer provided equipment, the Commission has wide discretionary powers regarding the nature and the type of equipment which can be customer provided.

In regards to this application, the Commission finds no merit in the OTA and the Petitioners' contention that approval of the interconnection of the Zenith Space Phone will result in a loss in revenues.

The Petitioners, did however, raise the issue that the Zenith Space Phone may not be entirely safe to use in conjunction with the telephone networks. Compatibility was not discussed by the OTA or NTL. The Commission listened to the evidence provided by the Petitioners very carefully and is concerned that there may be a possibility of harm to the networks as a result of the interconnection of the Space Phone. However, whereas the Applicant was able to provide evidence that the Space Phone has met certain technical standards the Petitioners did not provide anydocumentation of the possible harm or probablity that such harm may occur if the Zenith Space Phone is interconnected. Therefore, based on the evidence presented, the Commission finds that the Zenith Space Phone is technically acceptable for connection to the networks of the telephone systems.

The type of jack provided by many of the telephone systems is not compatible with the type of plug equipped on the Zenith Space Phone. NTL proposed that it remain the customers' responsibility to provide an adaptor which

would allow the interconnection of the Space Phone to the type of jack provided by the telephone system. The Applicant simply stated that they were in agreement with this requirement. The Commission accepts the submission of NTL and in section 1.3 of this Order has determined that the customer is the party responsible for providing the appropiate plug and/or adaptor for use with the telephone system's jack. The customer's responsibility to provide the plug and adaptor also requires the correct installation and fitting of the plug and adaptor to the Zenith Space Phone.

The Commission is concerned that an understandable and workable arrangement for the interconnection of the Space Phone be implemented. This arrangement not only ensures a proper connection of the equipment to the telephone system's network but also serves as a point of demarcation between the customer-provided equipment and the telephone network. In the case of any dispute between the customer and the telephone system this jack and plug arrangement will expetite and simplify the process of locating the source of any problems.

The Commission is concerned that some telephone systems may be providing jacks and charging rates which have not been approved pursuant to section 105 of The Telephone Act. Other telephone systems may not yet be offering jacks and associated equipment to their customers. The Commission expects to receive applications from all telephone systems which have not yet applied for approval of a rate for the provision of a jack and strongly recommends that any such application be submitted to the Commission expeditiously.

NTL also proposed that the Zenith Space Phone be used only in conjunction with an individual line grade of service. The Applicant responded to NTL's proposal and agreed that such an arrangement is acceptable. The Commission has accepted this requirement and is included in section 1.4 of this Order.

The remaining issues were based more directly with Order No. 2612 of the Commission dated January 21, 1970. The Commission has taken the argument in regards to Order No. 2612 into account and has reviewed Order No. 2612 very carefully. However, this Order shall be applicable notwithstanding anything in Order No. 2612. It should be noted that the application and this Order does not affect or change the monthly charges and the non-recurring service charges for the provision of equipment or services provided by each telephone system and approved by this Commission.

Wladzia Bielski
Chairman

Ontario

ONTARIO TELEPHONE SERVICE COMMISSION

Order No. 4096
Tuesday the 29th day of December, A.D. 1981.

BEFORE

F. Wall,
Vice Chairman,

D. Austin,
Member.

IN THE MATTER of sections 6(1), 14, 23, and 89 of The Telephone Act (R.S.O. 1980, c.496)

and

IN THE MATTER of an application by Mr. and Mrs. Donald Philp in regard to a dispute with People's Telephone Company of Forest Limited regarding a toll billing.

HEARD AT:

TORONTO, OCTOBER 21, 1981.

APPEARANCES:

FOR THE APPLICANTS:

Mr. and Mrs. D. Philp: Mr. N. Sinclair,
Counsel for Mr. and Mrs. D. Philp
and Themselves.

FOR THE COMPANY:

People's Telephone Company
of Forest Limited: Mr. R. Sutherland,
Manager.

1.0 ORDER

1.1 UPON THE APPLICATION of Mr. and Mrs. Donald Philp of Forest, Ontario, hereinafter referred to as the Applicants, upon reading the said application and evidence presented during the hearing,

1.2 THE COMMISSION HEREBY ORDERS, under and in pursuance of sections 6(1),14 and 89 of The Telephone Act (R.S.O. 1980, c.496), that Peoples Telephone Company of Forest Limited, hereinafter referred to as the Company, withdraw the disputed toll charge billing of $8.40,

1.3 THE COMMISSION FURTHER ORDERS, under and in pursuance of sections 6(1),14 and 23, that the Company pay to the Applicants their costs of and incidental to the proceeding as to be assessed by the Commission,

1.4 THE COMMISSION DIRECTS that the Applicants file with the Commission their costs of and incidental to the said proceeding as well as supporting documentation with respect to these costs within one month of the date of this Order.

2.0 BACKGROUND

On June 18, 1981, the Commission received a letter dated June 12, 1981, from Mr. Douglas H. Beatty who was acting as counsel for Mr. and Mrs. Philp (the Applicants), indicating that they and the People's Telephone Company of Forest Limited (the Company) were involved in a dispute over a long distance toll billing of $8.40 charged as of November 26, 1980. Herein it was explained that the Applicants were disputing the charges because they experienced a dial tone and "buzzing" noises during the time the calls were made. The Applicants requested that the Commission issue a ruling on the matter.

The Commission forwarded a copy of Mr. D. H. Beatty's letter to the Company requesting it to explain to the Commission the concerns of the Applicants.
Mr. Lyle F. Curran, solicitor for the Company, replied to the Commission in a letter dated June 29, 1981, stating that the Applicants' bill covered long distance calls of up to 22 minutes in duration. He stated that the Company's position was that there was considerable amount of speaking time available even though the dial tone lasted for more than forty-five seconds . He also indicated in his letter to the Commission that "The People's Telephone Company was quite prepared to have the matter resolved by the Court to determine whether Mr. Philp is entitled to free telephone calls or not."

The Commission, after reviewing the initial filings of both parties, decided that further information was required. Written interrogatories were sent to both parties on August 12, 1981.

Mr. Beatty, counsel for the Applicants, in his response to interrogatories stated that the call which lasted twenty-two minutes, as indicated in Mr. Curran's letter of June 29, 1981, also included the operator's time in trying to obtain a better connection. He also stated that the dial tone problem was not an intermittent noise, but continuous, and remained on the line for approximately two minutes forcing the termination of the conversation.

Mr. Curran, solicitor for the Company, in his response to interrogatories stated that this trouble complaint had been investigated on November 26, 1980 by one of the Company's senior service representatives who tested the service from an outdoor protector at the side of the Applicants' home, and found no trouble on the line. He stated that the Company and a service representative tested the line group in the Aberarder exchange and found a problem in the line finder which had what is referred to as 'back lash' problem. This 'back lash' problem could give dial tone on a busy line for approximately 45 seconds. This problem was repaired and the switch restored to service.

He also stated that the Applicants' complaint was the only one received from the Aberarder exchange regarding that particular interference.

Finally, he stated in the reply to the interrogatories that the Company nad indicated to the Applicants in a letter dated January 22, 1981 that the Company was prepared to reduce the Applicants' account by $2.80 if accepted within seven days from the date of that letter, and that offer was made without prejudice.

Based on the written evidence presented as a result of the interrogatories, the Commission decided to hold a hearing in order to obtain full information to determine the application. The hearing was held on October 21, 1981.

3.0 HEARING

During the hearing the position of the Applicants was reiterated that they felt they should not have to pay the disputed billing because of the telephone problems they had experienced. The Applicants' counsel, Mr. Sinclair, submitted that the Applicants' dispute was one of principle and that the underlying issue was the poor quality of service being provided by the Company.

He said the Company never acknowledged that they tested Mr. and Mrs Philp's telephone line and that a problem existed. He also submitted that the Applicants never received an apology from the Company with respect to the service problems, rather a statement of account from the Company's solicitor "without prejudice". Furthermore, no apology was issued in regard to the Philps's billing once the problem was realized.

Mr. Sinclair contended that the issue was more a matter of principle than money, mainly due to the lack of good customer relations exhibited by the Company. Mr. Sinclair requested that, given the unreasonable attitude taken by the Company in whole of the issue, costs of proceeding be awarded to the Applicants.

Mr. Sinclair also filed as evidence of the problem written affidavits from three persons who attested that there were problems on the Applicant's line on November 26, 1980, namely E. West, A. Philp, and N. Grodin.

Mr. Sutherland, representative of the Company, indicated that the only problem the Company could find was a 'backlash' condition in the line group at the Aberarder exchange. Mr. Sutherland did indicate that the condition could cause a dial tone which could last forty-five seconds on a line. However, he stated that the Company's position was that while the Applicants could have encountered some minor problems on the line, since their call lasted for twenty-two minutes, they were not entitled to a full reduction of their bill.

4.0 REASONS

The Commission's concerns in this case were three-fold:

1) In assessing a complaint under section 89(2) of The Telephone Act, the Commission must determine whether the complaint is valid, and if so, can it be substantiated.

2) Section 89(1) of The Telephone Act requires the Commission to ensure that every telephone system shall furnish continuous telephone service that adequately and efficiently meets the needs of the public in the territory in which it operates. Does the Company meet the requirement of a telephone system as stated in the Act?

3) The Commission should decide whether or not the request for costs incurred by the Applicants should be awarded, and if so, for what amount.

The Applicants applied to the Commission for a ruling under section 89 of The Telephone Act (R.S.O. 1980, c.496). They complained that they were given a bill for toll charges but due to the problems they experienced on the line, felt that they were not obligated to pay for service they did not receive. Given that under section 89(1) of The Telephone Act,

> Every telephone system shall furnish continuous telephone service that adequately and efficiently meets the needs of the public in the territory in which it operates.

The Commission views quality of service, of each telephone system in Ontario, as encompassing not only the mechanical and electronic operation of the system, but also including the administrative and business practices as well as customer relations.

The Commission concluded from the evidence that the Company failed to provide service not only from a technical perspective, but also more important from an administrative business and customer relations perspective. In this respect, the Commission has accepted that the Applicants have a valid complaint.

In substantiating the complaint both the Applicants and the Company established that a problem regarding a dial tone and "buzzing" noise existed on Mr. and Mrs. Philp's telephone line. However, neither party could agree to the extent and duration of the problem that existed. Given that both parties agreed that a problem did exist at the time that the calls were made, the Commission felt that the complaint was substantiated and that a question of the amount of reimbursement remained.

There is no proof that the Applicants were trying to avoid a legitimate bill. There is evidence filed that indicated that they had approached the Company at least twice to reach a settlement before bringing their complaint to the Commission. Furthermore the Company never acknowledged that the problem existed as it was pointed out by Mr. Philp:

> I would presume that the majority of companies would at least send a note of apology and recognition that you have complained. But we received absolutely nothing on our next bill other than an unpaid balance and late pay charge for the amount which we did not send in.

The Company had no rationale for the reduction that they offered the Applicant. The credit was not presented in a letter of apology but in a notice from the Company's solicitor.

The Commission is disturbed by the Company's intimidating procedure and commends the Applicants for bringing this matter to the Commission's attention. The Applicants have maintained a satisfactory account with the Company, and their only outstanding charge was the disputed $8.40 bill.

In assessing costs to be paid by the Company, the Commission wishes to clearly state that the Company demonstrated a complete lack of reasonable customer relations. The Company instead of trying to resolve the matter, was only "prepared to have the matter resolved by the Court". The Commission has no doubt that this matter could have been settled without the Commission's intervention. The Commission therefore, has ordered the Company to compensate the Applicants for the cost incurred as to the proceedings before the Commission. Once the Commission determines the amount of costs so herein to be assessed will give notice to the Company. Payment by the Company to the Applicants will be expected immediately after the Commission's assessment.

Chairman.

APPENDIX (ii)

Type of Entity of the Independent Telephone Systems Operating in Ontario in 1981.

	SYSTEMS		TELEPHONES	
	No.	%	No.	%
Systems operated as public utilities by municipal corporations	5	16.1	118,864	44.0
Municipal Systems	11	35.5	37,809	14.0
Incorporated companies	15	48.4	113,380	42.0
TOTAL:	31	100.0	270,053	100.0

APPENDIX (iii)

Size Distribution of the Independent Telephone Systems Operating in Ontario 1981.

No. of Telephones	No. of Systems	Percent
0 - 500	1	3.2
501 - 1,000	1	3.2
1,001 - 2,000	12	38.7
2,001 - 3,000	5	16.2
3,001 - 4,000	3	9.6
4,001 - 5,000	3	9.6
5,001 - 10,000	2	6.5
10,001 - 50,000	2	6.5
50,001 - 100,000	2	6.5
	31	100.0

APPENDIX (iv)

Net growth of the Telephone Industry in Ontario since 1971.

Dec. 31	No. of Systems	No. of Telephones	% Change
1971	40	194,942	3.39
1972	40	205,470	5.40
1973	40	216,007	5.13
1974	40	227,810	5.46
1975	40	240,700	5.66
1976	39	258,161	7.25
1977	36	262,363	1.63
1978	35	274,916	4.78
1979	32	284,288	3.41
1980	31	261,446	(8.03)
1981	31	270,053	3.29

(v) SUMMARY OF INDEPENDENT TELEPHONE SYSTEMS DATA AS AT DECEMBER 31, 1981.

GROUP	NAME OF SYSTEM	OPERATING HEAD	ADDRESS AND TELEPHONE NUMBER	EXCHANGES	TELEPHONE NUMBERS (A)	OTHER TELEPHONES (B)	TOTAL	TOTAL COMPANY TELEPHONES
3	Abitibi-Price Incorporated	F. R. Robar Electrical Superintendent	Iroquois Falls P0K 1E0 (705) 258-3241	Iroquois Falls	755	522	1,277	1,277
3	Amtelecom Incorporated	R. B. Barnard President and General Manager	18 Sydenham Street Aylmer N5H 1L2 (519) 773-8441	Aylmer	4,513	2,550	7,063	
				Cambray	610	113	723	
				Dyer's Bay	114	18	132	
				Lion's Head	778	205	983	
				Port Burwell	589	214	803	
				Stokes Bay	87	14	101	
				Straffordville	986	403	1,389	
				Tobermory	484	127	611	
					8,161	3,644	11,805	11,805
2	Blanshard Municipal Telephone System	L. Mardlin Manager	Kirkton N0K 1K0 (519) 229-8933	Granton	537	305	842	
				Kirkton	953	552	1,505	
				Sebringville	1,038	490	1,528	
				Uniondale	408	215	623	
					2,936	1,562	4,498	4,498
2	Brooke Municipal Telephone System	W. Chapman Manager	P.O. Box 40 Inwood N0N 1K0	Alvinston (S)	297	125	422	
				Inwood	506	194	700	
				Watford (S)	550	234	784	
					1,353	552	1,906	1,906
2	Bruce Municipal Telephone System	J. T. Scurfield Manager	Box 580 Kincardine N0G 2G0 (519) 396-3322	Kincardine	3,596	1,760	5,356	
				Paisley	867	373	1,240	
				Port Elgin	3,394	1,418	4,812	
				Tiverton	1,087	303	1,390	
					8,944	3,854	12,798	12,798
3	Capital Telephone Company Limited	R. M. Botham Assistant Secretary- Treasurer	c/o Bell Canada 393 University Avenue 19th Floor Toronto M5G 1W9 (416) 599-4936	Maberly	200	61	261	261
1	Cochrane Public Utilities Commission	G. F. Jarvis Engineering Manager	153 Sixth Avenue Box 640 Cochrane P0L 1C0 (705) 272-4232	Cochrane	2,045	1,328	3,373	3,373

(v) SUMMARY OF INDEPENDENT TELEPHONE SYSTEMS DATA AS AT DECEMBER 31, 1981.

GROUP	NAME OF SYSTEM	OPERATING HEAD	ADDRESS AND TELEPHONE NUMBER	EXCHANGES	TELEPHONE NUMBERS (A)	OTHER TELEPHONES (B)	TOTAL	TOTAL COMPANY TELEPHONES
2	Coldwater Municipal Telephone System	J. Earl Secretary-Treasurer	P.O. Box Box 202 Coldwater LOK 1EO (705) 686-3698	Coldwater	784	286	1,070	1,070
1	Dryden Municipal Telephone System	B. H. Moline Operations Manager	30 Van Horne Avenue Dryden P8N 2A7 (807) 223-2226	Dryden	3,118	2,529	5,647	5,647
3	Durham Telephones Limited	J. E. Downs General Manager	63 Brule Gardens Toronto M6S 4J5 (416) 767-4042	Cavan Millbrook	321 800 1,121	126 345 471	447 1,145 1,592	1,592
2	Gosfield North Municipal Telephone System	J. Helkie Manager	Box 130 Cottam NOR 1BO (519) 839-4734	Cottam	1,095	503	1,598	1,598
2	Hay Municipal Telephone System	W. H. Wagner Manager and Secretary-Treasurer	Box 99 Zurich NOM 2TO (519) 236-4333	Dashwood Grand Bend Zurich	430 1,707 935 3,072	212 661 378 1,251	642 2,368 1,313 4,323	4,323
2	Huron and Kinloss Municipal Telephone System	C. Nicholson Manager	P. O. Box 220 Huron Street Ripley NOG 2RO (519) 395-2626	Dungannon Ripley	827 1,633 2,460	260 617 877	1,087 2,250 3,337	3,337
3	Hurontario Telephones Limited	K. V. Stevens Secretary-Treasurer	P.O. Box 59 Thedford NOM 2NO (519) 296-4926	Port Franks Thedford	877 552 1,429	272 274 546	1,149 826 1,975	1,975
1	Keewatin Municipal Telephone System	E. A. Sherred Clerk-Treasurer	P. O. Box 139 Keewatin POX 1CO (808) 547-2881	Keewatin	757	465	1,222	1,222

(v) SUMMARY OF INDEPENDENT TELEPHONE SYSTEMS DATA AS AT DECEMBER 31, 1981.

GROUP	NAME OF SYSTEM	OPERATING HEAD	ADDRESS AND TELEPHONE NUMBER	EXCHANGES	TELEPHONE NUMBERS (A)	OTHER TELEPHONES (B)	TOTAL	TOTAL COMPANY TELEPHONES
1	Kenora Municipal Telephone System	D. T. McLeod Operating Head	P. O. Box 1110 Kenora P9N 3X7 (807) 468-8906	Kenora	5,189	4,696	9,885	9,885
3	Lansdowne Rural Telephone Company Limited	R. P. Crawford General Manager	P.O. Box 9 Lansdowne K0E 1L0 (613) 659-2222	Lansdowne	1,284	529	1,813	1,813
3	Manitoulin Island Telephone Company Limited	R. B. Barnard General Manager	18 Sydenham Street East Aylmer N5H 1L2 (519) 773-8441	Manitowaning Mindemoya	859 892 1,751	306 342 648	1,165 1,234 2,399	2,399
2	Mornington Municipal Telephone System	E. J. Bay Secretary-Treasurer	16 Mill Street Milverton N0K 1M0 (519) 595-8331	Milverton	1,493	694	2,187	2,187
3	North Frontenac Telephone Company Limited	H. J. Schmidt Secretary-Treasurer	Box 130 Baden N0B 1G0 (519) 634-5300	Parham Sharbot Lake	404 688 1,092	80 172 252	484 860 1,344	1,344
2	North Norwich Municipal Telephone System	A. Williams Secretary-Treasurer	P.O. Box 33 Burgessville N0J 1C0 (519) 424-9171	Burgessville Norwich (S) Woodstock (S)	842 308 265 1,415	333 141 161 635	1,175 449 426 2,050	2,050
3	North Renfrew Telephone Company Limited	W. Vandekemp Manager	Box 70 Beachburg K0J 1C0 (613) 582-3600	Beachburg Pembroke (S) Westmeath	524 243 315 1,082	194 94 79 367	718 337 394 1,449	1,449

(v) SUMMARY OF INDEPENDENT TELEPHONE SYSTEMS DATA AS AT DECEMBER 31, 1981.

GROUP	NAME OF SYSTEM	OPERATING HEAD	ADDRESS AND TELEPHONE NUMBER	EXCHANGES	TELEPHONE NUMBERS (A)	OTHER TELEPHONES (B)	TOTAL	TOTAL COMPANY TELEPHONES
3	Northern Telephone Limited	M. W. Cooper President and General Manager	17 Paget Street Box H New Liskeard P0J 1P0 (705) 647-7311	Abitibi Canyon	104	137	241	
				Calstock	125	64	189	
				Cobalt	906	403	1,309	
				Cochrane (S)	630	217	847	
				Connaught	124	36	160	
				Earlton	856	325	1,181	
				Elk Lake	215	80	295	
				Englehart	1,426	659	2,085	
				Fauquier	239	73	312	
				Gowganda	81	29	110	
				Haileybury	1,781	877	2,658	
				Hearst	2,693	1,878	4,571	
				Iroquois Falls	1,978	945	2,923	
				Kamiskotia	51	8	59	
				Kapuskasing	5,076	3,935	9,011	
				Kirkland Lake	5,102	2,862	7,964	
				Larder Lake	419	130	549	
				Latchford	136	43	179	
				Matachewan	145	52	197	
				Matheson	684	315	999	
				Mattice	328	107	435	
				Moonbeam	515	204	719	
				New Liskeard	3,703	2,586	6,316	
				Opasatika	136	49	185	
				Opishing	10	2	12	
				Ramore	358	129	487	
				Smooth Rock Falls	926	512	1,438	
				South Porcupine	2,875	2,548	5,423	
				Swastika	697	320	1,017	
				Timmins	14,806	9,540	24,346	
				Virginiatown	449	182	631	
					47,601	29,247	76,848	76,848
2	Otonabee Municipal Telephone System	J. D. Coit Secretary-Treasurer	P. O. Box 40 Keene K0L 2G0 (705) 294-4412	Keene	930	345	1,275	1,275
3	People's Telephone Company of Forest, Limited (The)	R. H. Sutherland Manager	P.O. Box 700 Forest N0N 1J0 786-2351	Aberarder	638	195	833	
				Arkona	488	230	718	
				Forest	2,146	947	3,093	
					3,272	1,372	4,644	4,644

(v) SUMMARY OF INDEPENDENT TELEPHONE SYSTEMS DATA AS AT DECEMBER 31, 1981.

GROUP	NAME OF SYSTEM	OPERATING HEAD	ADDRESS AND TELEPHONE NUMBER	EXCHANGES	TELEPHONE NUMBERS (A)	OTHER TELEPHONES (B)	TOTAL	TOTAL COMPANY TELEPHONES
3	Roxborough Telephone Company Limited	J. W. Beach Manager	P.O. Box 179 Moose Creek K0C 1W0 (613) 538-2800	Moose Creek	393	173	566	566
3	South Bruce Rural Telephone Company Limited	A. T. McTavish Manager and Secretary-Treasurer	Teeswater N0G 2S0 (519) 392-6873	Mildmay Teeswater	1,047 923	288 278	1,335 1,201	
					1,970	566	2,536	2,536
1	Thunder Bay Telecommunications	A. M. Hawkins Manager	241 Vickers Street South Thunder Bay P7E 1J5 (807) 623-2711	Court Street Current River MacKenzie Murillo Riverview Rosslyn Shuniah Vickers Street	16,543 2,521 684 673 9,322 1,385 7,195 16,390	14,050 1,366 173 256 8,835 613 3,901 14,830	30,593 3,887 857 929 18,157 1,998 11,096 31,220	
					54,713	44,024	98,737	98,737
2	Tuckersmith Municipal Telephone System	M. Graham Secretary-Treasurer	R. R. #1 Brucefield N0M 1J0 (519) 482-9908	Bayfield Clinton (S) Hensall (S) Seaforth (S)	740 350 352 425	233 215 225 227	973 565 577 652	
					1,867	900	2,767	2,767
3	Westport Telephone Company	H. A. Lynn Manager	Box 252 Westport K0G 1X0 (613) 273-2121	Westport	1,018	312	1,330	1,330
3	Wightman Telephone Limited	R. Wightman President	Box 70 Clifford N0G 1M0 (519) 327-8012	Ayton Clifford Gorrie Neustadt	387 590 1,094 316	200 280 556 118	587 870 1,650 434	
					2,387	1,154	3,541	3,541
	TOTAL:				165,687	104,366	270,053	270,053

(v) SUMMARY OF INDEPENDENT TELEPHONE SYSTEMS DATA AS AT DECEMBER 31, 1981.

NAME OF SYSTEM	OPERATING HEAD	ADDRESS AND TELEPHONE NUMBER	EXCHANGES	TELEPHONE NUMBERS (A)	OTHER TELEPHONES (B)	TOTAL	TOTAL COMPANY TELEPHONES

GROUPS:

1. Systems established under The Telephone Act by municipal corporations and operated as public utilities.

2. Systems established under The Telephone Act by, and vested in municipal corporations in trust for the benefit of the subscribers and operated by the municipal council or by a commission elected by the subscribers.

3. Incorporated companies.

NOTES:

(A) Main telephones and PBX trunk lines.

(B) Extensions and coin telephones.

(S) Indicates the exchange to which service system lines connect.

(vi) COMMISSION ORDERS ISSUED - 1981

ORDER	DATE ISSUED	APPLICANT	PURPOSE	EFFECTIVE
4024	81 01 29	Westport Telephone Company Limited	Approval of change in Non-Recurring Charges	81 01 29
4025	81 01 29	Amtelecom Incorporated	Approval of revised rate structure - October 1979 Rate Application	81 01 29
4026	81 01 29	Coldwater Municipal Telephone System	Approval to levy Security Deposit Charges	81 01 29
4027	81 01 29	Gosfield North Municipal Telephone System	Approval to levy Security Deposit Charges	81 01 29
4028	81 01 29	Hay Municipal Telephone System	Approval to levy Security Deposit Charges	81 01 29
4029	81 01 29	Hurontario Telephones Limited	Approval to levy Security Deposit Charges	81 01 29
4030	81 01 29	Mornington Municipal Telephone System	Approval to levy Security Deposit Charges	81 01 29
4031	81 01 29	North Frontenac Telephone Company Limited	Approval to levy Security Deposit Charges	81 01 29
4032	81 01 29	North Renfrew Telephone Company Limited	Approval to levy Security Deposit Charges	81 01 29
4033	81 01 29	Westport Telephone Company Limited	Approval to levy Security Deposit Charges	81 01 29
4034	81 01 29	Wightman Telephone Limited	Approval to levy Security Deposit Charges	81 01 29
4035	81 01 29	Lansdowne Rural Telephone Company Limited	Approval of Supplement No. 13 to the Traffic Agreement with Bell Canada	81 01 29
4036	81 01 29	North Norwich Municipal Telephone System	Approval of Supplement No. 15 to the Traffic Agreement with Bell Canada	81 01 29

(vi) COMMISSION ORDERS ISSUED - 1981

ORDER	DATE ISSUED	APPLICANT	PURPOSE	EFFECTIVE
4037	81 02 20	Cochrane Public Utilities Commission	Approval for late filing of Annual Returns	81 02 20
4038	81 02 20	Amtelecom Incorporated	Approval of Supplement No. 10 to the Traffic Agreement with Bell Canada	81 02 20
4039	81 02 20	Northern Telephone Limited	Approval to waive specific service connection charges	81 02 20
4040	81 02 20	Gosfield North Municipal Telephone System	Revoking of Order No. 4027	81 02 20
4041	81 03 27	Hay Municipal Telephone System	Approval of Supplement No. 7 - E.A.S. (Zurich/Hensall) to the Traffic Agreement with Bell Canada	81 03 27
4042	81 03 27	Huron and Kinloss Municipal Telephone System	Approval of Attachment B - E.A.S. (Ripley/Kincardine)	81 03 27
4043	81 03 27	Hurontario Telephones Limited	Order of compliance to Order No. 3899	81 03 27
4044	81 03 27	Wightman Telephone Limited	Approval to issue Evidence of Indebtedness	81 03 27
4045	81 03 30	Bruce Municipal Telephone System	Approval to levy Security Deposit Charges	81 03 30
4046	81 03 30	South Bruce Rural Telephone Company Limited	Approval to levy Security Deposit Charges	81 03 30
4047	81 04 01	Bruce Municipal Telephone System	Approval for date of Annual Meeting	81 04 01
4048	81 04 03	Lansdowne Rural Telephone Company Limited	Disconnection of service - B. Ferguson	81 04 03
4049	81 04 21	Bruce Municipal Telephone System	Approval of By-Law No. 1, 1981 (3-5 Commissioners)	81 04 21
4050	81 04 21	Bruce Municipal Telephone System	Approval of By-Law No. 2, 1981 (Proxies)	81 04 21
4051	81 04 23	Thunder Bay Telecommunications	Approval to waive Specific Service Connection Charges	81 04 23
4052	81 04 27	Thunder Bay Telecommunications	Approval of rates for Miscellaneous Equipment	81 04 27

(vi) COMMISSION ORDERS ISSUED - 1981

ORDER	DATE ISSUED	APPLICANT	PURPOSE	EFFECTIVE
4053	81 04 28	Thunder Bay Telecommunications	Approval of Supplement No. 15 to the Traffic Agreement with Bell Canada	81 04 28
4054	81 04 29	Amtelecom Incorporated	Approval of Interim Revision of local rate structure based on additional revenue requirement	81 04 29
4055	81 05 29	Abitibi Price Incorporated	Approval of rates - Digi-Pulse	81 05 29
4056	81 05 29	Blanshard Municipal Telephone System	Approval for Late Filing of Annual Returns	81 05 29
4057	81 05 29	Huron and Kinloss Municipal Telephone System	Approval of Supplement No. 17 to the Traffic Agreement with Bell Canada	81 05 29
4058	81 05 29	Northern Telephone Limited	Approval of By-Law No. 8	81 05 29
4059	81 06 22	Thunder Bay Telecommunications	Approval of Connection of Customer Provided TOSC-2 Environmental Control System	81 06 22
4060	81 06 22	Hurontario Telephones Limited	Approval to extend Alternate Appendix B (1980) to the Traffic Agreement with Bell Canada	81 06 22
4061	81 06 24	Tuckersmith Municipal Telephone System	Approval of Supplement No. 15 to the Traffic Agreement with Bell Canada	81 06 24
4062	81 06 24	Thunder Bay Telecommunications	Approval of rate for AC-60 Automatic Call Sequencer	81 06 24
4063	81 07 07	Blanshard Municipal Telephone System	Approval of Returned Cheque Processing Charge	81 07 07
4064	81 06 29	Blanshard Municipal Telephone System	Approval to levy Security Deposit Charges	81 06 29
4065	81 08 10	Thunder Bay Telecommunications	Amendment to Order No. 4059	81 08 10
4066	81 08 19	Hay Municipal Telephone System	Approval of rate - Single Line Hold Button	81 08 19
4067	81 08 27	Amtelecom Incorporated	Approval of revised local rate structure	81 08 27
4068	81 09 09	Hurontario Telephones Limited	Approval of a Special Resolution	81 09 09
4069	81 09 17	Northern Telephone Limited	Approval of Appendix B Section 111, Traffic Agreement with Ontario Northland Transportation Commission	81 09 17

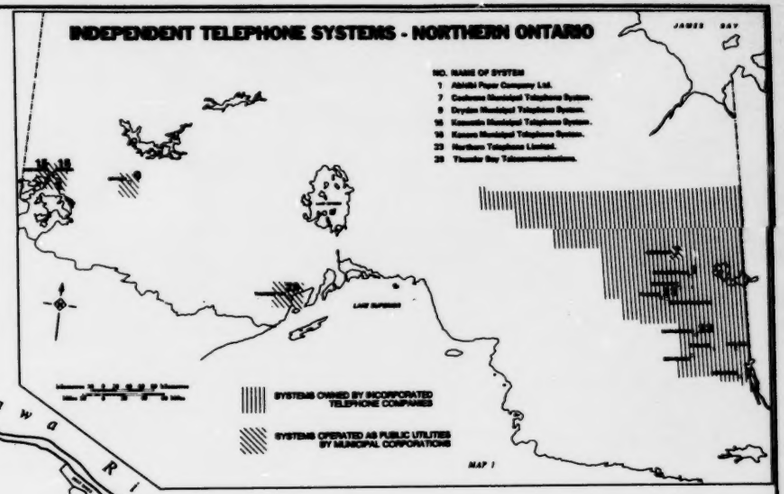
(vi) COMMISSION ORDERS ISSUED - 1981

ORDER	DATE ISSUED	APPLICANT	PURPOSE	EFFECTIVE
4070	81 09 17	Blanshard Municipal Telephone System	Supplements 33 and 34 to the Traffic Agreement with Bell Canada	81 09 17
4071	81 09 18	Northern Telephone Limited	Approval to waive specific service connection charges	81 09 18
4072	81 09 25	Northern Telephone Limited	Approval of rates - SX200 PABX Equipment	81 09 25
4073	81 09 25	Hurontario Telephones Limited	Denial of Application to increase late payment charge	81 09 25
4074	81 10 09	Roxborough Telephone Company Limited	Rehearing - Application to submit a revised local rate structure based on additional revenue requirement	81 10 09
4075	81 10 13	Peoples Telephone Company of Forest Limited	Approval of By-Law No. 1-77	81 10 13
4076	81 10 27	Roxborough Telephone Company Limited	Approval of rates for Local Telephone Service	81 10 27
4077	81 10 29	North Renfrew Telephone Company Limited	Approval of rates for Local Telephone Service	81 10 29
4078	81 10 29	Wightman Telephone Limited	W. C. Smith Connection - Philips Code-A-Phone	81 10 29
4079	81 10 29	Xerox Canada Incorporated	Approval of connection of customer-provided TC-485 Telecopier	81 10 29
4080	81 10 29	Zenith Radio Corporation	Approval of connection of customer-provided Zenith Radio Space-Phone	81 10 29
4081	81 11 02	Otonabee Municipal Telephone System	Approval of By-Law No. 1980-1	81 11 02
4082	81 11 06	Amtelecom Incorporated	Revokes Order No. 4006	81 11 06
4083	81 11 06	Amtelecom Incorporated	Revokes Order No. 4038	81 11 06
4084	81 11 06	Amtelecom Incorporated	Revokes Order No. 3970	81 11 06
4085	81 11 06	Amtelecom Incorporated	Approval of Traffic Agreement with Bell Canada	81 11 06

(vi) COMMISSION ORDERS ISSUED - 1981

ORDER	DATE ISSUED	APPLICANT	PURPOSE	EFFECTIVE
4086	81 11 06	Amtelecom Incorporated	Approval of Supplement Nos. 9, and 10, Alternate Appendix B 1980, re Order Nos. 4082, 4083, 4084	81 11 06
4087	81 11 06	Amtelecom Incorporated	Approval of Supplement Nos. 11 and 12 to the Traffic Agreement with Bell Canada	81 11 06
4088	81 11 09	Hurontario Telephones Limited	Approval to waive Non-recurring Service Charges	81 11 09
4089	81 11 09	North Frontenac Telephone Company Limited	Denial of late payment charge on overdue accounts	81 11 09
4090	81 11 12	The Commission on its own motion	Revoking of Order No. 2612 dated January 21, 1970	81 11 12
4091	81 11 10	North Frontenac Telephone Company Limited	Denial of N.S.F. Cheques Processing Charge	81 11 10
4092	81 11 26	North Renfrew Telephone Company Limited	Approval of revised local rate structure	81 11 26
4093	81 12 21	Northern Telephone Limited	Approval of Amendment to Appendix A to its Traffic Agreement with Ontario Northland Telecommunications Commission	81 12 21
4094	81 12 21	Hurontario Telephones Limited	Approval to Issue Class 'C' and 'D' Preferred Shares	81 12 21
4095	81 12 21	Otonabee Municipal Telephone System	Approval for date of Annual Meeting	81 12 21
4096	81 12 29	People's Telephone Company of Forest Limited (The)	Customer Complaint re Toll Charges (Mr. D. Philp)	81 12 29
4097	81 12 21	Thunder Bay Telecommunications	Approval of Amendment to Order Nos. 3312 and 3312A (Camp 702)	81 12 21
4098	81 12 21	Northern Telephone Limited	Amendment to Order No. 4093	81 12 21

INDEPENDENT TELEPHONE SYSTEMS - SOUTHERN ONTARIO


INDEPENDENT TELEPHONE SYSTEMS - NORTHERN ONTARIO
NO. NAME OF SYSTEM
1 Abitibi Paper Company Ltd.
7 Cochrane Municipal Telephone System.
8 Dryden Municipal Telephone System.
16 Kenora Municipal Telephone System.
18 Kenora Municipal Telephone System.
23 Northern Telephone Limited.
28 Thunder Bay Telecommunications.
SYSTEMS OWNED BY INCORPORATED TELEPHONE COMPANIES
SYSTEMS OPERATED AS PUBLIC UTILITIES BY MUNICIPAL CORPORATIONS
MAP 1

MUNICIPAL SYSTEMS

SYSTEMS OWNED BY INCORPORATED TELEPHONE COMPANIES

LAKE HURON

Georgian Bay

Lake Nipissing

Ottawa River

Lake Simcoe

St. Lawrence

LAKE ONTARIO

TORONTO AREA

Lake St. Clair

LAKE ERIE

McKELLAR · ALGONQUIN PARK · ROSSEAU · HUNTSVILLE · MAYNOOTH · BANCROFT · GODDERHAM · APSLEY · GILMOUR · NORTHBROOK · PLEVNA · MADOC · ARDEN · TWEED · LANARK · ALMONTE · PERTH · TOLEDO · OTTAWA · CHATHAM · SIMCOE · DUNNVILLE

NO.	NAME OF SYSTEM	MAP
1	Abitibi Paper Company Ltd.	1
2	Amaranth Tel.	2
3	Blandford Municipal Telephone System	2
4	Brooke Municipal Telephone System	2
5	Bruce Municipal Telephone System	2
6	Capital Telephone Company Limited, The	2
7	Cochrane Municipal Telephone System	1
8	Colchester Municipal Telephone System	2
9	Dryden Municipal Telephone System	1
10	Durham Telephone Limited	2
11	Garafraxa North Municipal Telephone System	2
12	Hay Municipal Telephone System	2
13	Huron & Kinloss Municipal Telephone System	2
14	Hurontario Telephone Limited	2
15	Kennebec Municipal Telephone System	1

NO.	NAME OF SYSTEM	MAP
16	Kenora Municipal Telephone System	1
17	Lansdowne Rural Telephone Company Limited, The	2
18	Manitoulin Island Telephone Company Limited	2
19	Huntington Municipal Telephone System	2
20	North Frontenac Telephone Company Limited	2
21	North Norwich Municipal Telephone System	2
22	North Renfrew Telephone Company Limited	2
23	Northern Telephone Limited	1
24	Osnabrua Municipal Telephone System	2
25	People's Telephone Company of Forest, Limited	2
26	Renfrew-ugh Telephone Company Limited	2
27	South Grant Rural Telephone Company Limited	2
28	Thunder Bay Telecommunications	1
29	Tottenham Municipal Telephone System	2
30	Westport Telephone Company Limited, The	2
31	Wightman Telephone Limited	2

kilometres 10 0 10 20 30 40 kilometres
Miles 10 0 10 20 30 Miles

ONTARIO TELEPHONE SERVICE COMMISSION

Ontario Ministry of Transportation and Communications

MAP 2

This map prepared by CARTOGRAPHY SECTION, Surveys and Plans Office, Ministry of Transportation and Communications. 80 03 25

Revised 1980/12/01